



கார்டிகாடுல வார்டால
செயலாற்றுகை அறிககை
PERFORMANCE REPORT

2021



காடுகர்டு அலாநகா஁டு
கமத்தொழில் அமைச்சு
Ministry of Agriculture

வகடீர்டு அ஁டு
செலவுத் தலைப்பு இலக்கம்
Expenditure Head No

118



Annual Performance Report - 2021

Expenditure Head - 118

Ministry of Agriculture

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Annual Performance Report - 2021

**(Progress of the Development Programmes implemented by the Ministry of
Agriculture as at 31.12.2021)**

Expenditure Head - 118

Ministry of Agriculture

Minister - Hon. Mahindananda Aluthgamage

Secretary - Mr. D. M. L. Bandaranayake

State Ministries

State Ministry of Promoting the Production & Regulating the Supply of Organic Fertilizer and Paddy and Grains, Organic Foods, Vegetables, Fruits, Chillies, Onion and Potato Cultivation Promoting, Seed Production and Advanced Technology Agriculture (Expenditure Head 425/426)

Minister - Hon. Shashindra Rajapaksa

Secretary - Mr. M. N. Ranasinghe

State Ministry of Livestock, Farm Promotion and Dairy and Egg Related Industries

Minister - Hon. D. B. Herath

Secretary - Mr. R. M. W. S. Samaradiwakara

State Ministry of Backward Rural Areas Development and Promotion of Domestic Animal Husbandry & Minor Economic Crop Cultivation

Minister - Hon. Sathasivam Viyalendran

Secretary - Dr. Amal Harsha De Silva

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Abbreviations

MOA	Mnistry of Agriculture
PPE	Policy and Project Evaluation Unit - Ministry of Agriculture
DOA	Department of Agriculture
HORDI	Horticultural Crops Research and Development Institute
NRMC	Natural Resource Management Center
FCRDI	Field Crop Research and Development Institute
ETC	Extension and Training Institute
NPQS	National Plant Quarantine Service
RRDI	Paddy Research and Development Institute
NAICC	National Agricultural Information and Communication Center
DOAD	Department of Agrarian Development
PDOA	Provincial Department of Agriculture
DS	District Secretary
AI	Agriculture Instructor
ARPAS	Agriculture Research and Production Assistant
AAIB	Agricultural and Agrarian Insurance Board
PMB	Paddy Marketing Board
SLCARP	Sri Lanka Council for Agricultural Research Policy
IPHMT	Institute of Post Harvest Management Technology
LPL	Lanka Fertilizer Company Ltd
HARTI	Hector Kobbekaduwa Agrarian Research and Training Institute
NFS	National Fertilizer Secretariat
ASMP	Agriculture Sector Modernization Project
CSIAP	Climate Smart Irrigated Agriculture Project
SAPP	Small Scale Agribusiness Development Project
FTF	Farmers Trust Fund
CERC	Establishment of Storage Facilities under Emergency Operational Programmes
EU	European Union
FAO	Food & Agriculture Organization of the United Nations
SSC	South-South Cooperation
SDF	Southern Development Fund
AARDO	African Asian Rural Development Organization
JICA	Japan International Cooperation Agency
KOICA	Korean International Cooperation Agency
WFP	World Food Programme
KOPIA	Korean Projects for International Agriculture
AFASI	Asian Food and Agriculture Cooperation Initiative
WB	World Bank
GAP	Good Agruculture Practices
UNDP	United Nations Development Programme
NARP/NUS	Research on National Agricultural Policy Plan with National Universities

Progress of Major Development Programmes – Summary

Financial Progress of Major Development Programmes of the Ministry of Agriculture – Summary

Financial Progress

S/N	Details	Allocation (Rs.)	Expenditure	
			(Rs.)	(%)
1	Total Budget	16,786,821,469	11,924,226,832	71%
1.1	Recurrent	4,959,377,000	4,874,063,428	98%
1.2	Capital	11,827,444,469	7,050,163,404	60%

Major Development Programmes implemented in the Year 2021 and Financial Progress of the Same

S/N	Programme	Implementing Agency	Allocation (Rs. Mn.)	Expenditure (Rs. Mn.)	Financial Progress %	Commitments and Liabilities
1	Agricultural Youth Entrepreneurship Development Programme	DOA	75.00	45.41	61%	1.18
Sub Total - i			75.00	45.41	61%	1.18
1	Climate Smart Irrigated Agriculture Project (CSIAP) – World Bank Loan	MOA	3210.00	1388.66	43%	0.00
2	Smallholder Agribusiness Partnership Programme (SAPP) – IFAD		2100.00	1637.93	78%	0.00
3	Agriculture Sector Modernization Project (ASMP) Component 2 - World Bank Loan		2959.00	1146.07	39%	693.40
4	Establishment of Dairy Processing Plant at Badalgama - Denmark Aids		313.00	62.98	20%	0.00
5	Development of Mini Dairy Cooperative Societies - France Aids		1981.00	1710.91	86%	0.00
Sub Total - ii			10,563.00	5,946.56	56%	693.40
1	Research and Development	DOA	269.50	215.09	80%	24.55
2	Agriculture Extension & Training		363.00	235.02	65%	18.87
3	Seed Certification & Plant Protection		1024.80	825.29	81%	81.42
Sub Total - iii			1,657.30	1,275.40	77%	124.84

S/N	Programme	Implementing Agency	Allocation (Rs. Mn.)	Expenditure (Rs. Mn.)	Financial Progress %	Commitments and Liabilities
1	Repairing and Procurement of Equipment for National Plant Quarantine Service (JICA)	DOA	40.00	0.34	1%	38.74
2	Upgrading of laboratory facilities at the National Plant Quarantine Station		25.00	1.42	6%	0.00
Sub Total - iv			65.00	1.76	3%	38.74
1	Introduce a Contributory Insurance Scheme for farmers	AAIB	1000.00	1000	100%	1950.00
2	Agriculture and Agrarian Insurance Board		40.00	20.00	50%	20.00
3	Farmers and Fisheries Pensions and Social Security Benefit Scheme		4000.00	4000.00	100%	0.00
Sub Total - v			5040.00	5020.00	100%	1970.00
1	Hector Kobbakaduwa Agrarian Research And Training Institute	HARTI	35.00	8.70	25%	0.46
2	Implementation of National Agricultural Research Plan with Universities	CARP	40.00	26.05	65%	0.50
3	Paddy Marketing Board	PMB	2671.00	2176.25	81%	
Sub Total - vi			2746.00	2211.00	81%	0.96
Grand Total - - (i+ii+iii+iv+v+vi)			20,146.30	14,500.14	72%	2,829.12

2. State Ministry of Promoting the Production & Regulating the Supply of Organic Fertilizer and Paddy and Grains, Organic Foods, Vegetables, Fruits, Chillies, Onion and Potato Cultivation Promoting, Seed Production and Advanced Technology Agriculture (Expenditure Head 425/426)

2.1 State Ministry of Paddy and Grains, Organic Foods, Vegetables, Fruits, Chillies, Onion and Potato Cultivation Promoting, Seed Production and Advanced Technology Agriculture (Expenditure Head 425)

Financial Progress

S/N	Details	Allocation (Rs.)	Expenditure	
			(Rs.)	(%)
1	Total Budget	8720.56	5463.64	62.65
1.1	Recurrent	217.56	179.30	82.41
1.2	Capital	8503.00	5264.34	62.14
1.3	Crop 13	51.259	21.903	42.7%

Crop Production and Promotion

	Type of Crop	Allocation (Rs. Mn.)	Expenditure (Rs. Mn.)
1	Paddy	94.209	57.683
2	Chilli	596.695	305.989
3	Potato	307.453	107.667
4	Big Onion	292.162	247.903
5	Red Onion	231.39	233.248
6	Maize	244.254	180.030
7	Udu	89.410	76.173
8	Green Grams	211.444	170.880
9	Cowpea	53.835	39.066
10	Soya	31.564	22.280
11	Sesame	20.526	19.797
12	Finger Millet	7.096	4.056
13	Ground Nut	51.259	21.903

Financial Progress of Development Programmes (Summary) - as at 31/12/2021

S/N	Programme	Implementing Agency	Allocation (Rs. Mn.)(1)	Provisions for Approved Programs (Rs. Mn.) (2)	Cumulative Expenditure (Rs. Mn.) (3)	(3)/(2) (%)
1	425-2-03-004-2509	Special Programme on Food Security	4,630.00	4,119.46	2,502.65	61
Sub Total - i			4,630.00	4,119.46	2,502.65	61
2	425-2-03-002-2201	National Institute of Post Harvest Management - Capital Expenditure	34.00	9.85	4.38	45
3	425-2-03-008-2506	Economic Centers	300.00	250.00	35.34	14
4	425-2-03-010-2202	National Programme for Promotion of Eco-Friendly Organic Cultivation and Organic Fertilizer	70.00	70.00	58.55	84
Sub Total - ii			404.00	329.85	98.27	30
5	Expenditure Head - 281	Agrarian Development - Capital Expenditure	1,984.00	1,984.00	1535.73	77
Sub Total - iii			1,984.00	1,984.00	1535.73	77
Grand Total - (i+ii+iii)			7,018.00	6,433.31	4,136.65	64

2. State Ministry of Promoting the Production & Regulating the Supply of Organic Fertilizer and Paddy and Grains, Organic Foods, Vegetables, Fruits, Chillies, Onion and Potato Cultivation Promoting, Seed Production and Advanced Technology Agriculture (Expenditure Head 425/426)

2.2 State Ministry of Promoting the Production & Regulating the Supply of Organic Fertilizer (Expenditure Head 426)

Financial Progress

S/N	Details	Allocation (Rs.)	Expenditure	
			(Rs. Mn.)	(%)
1	Total Budget	35,745.7	21,627.36	80.16
1.1	Recurrent	35,539.5	21,587.33	60.74
1.2	Capital	206.2	40.033	19.41

Development Programmes - Expenditure Head 426

S/N	Details	Implementing Agency	Allocation (Rs. Mn.)	Expenditure		Remarks
				(Rs. Mn.)	(%)	
1	National Fertilizer Management Information System	State Ministry / National Fertilizer Secretariat	30	0.132	0.44	Has transferred to Mobitel Pvt. Ltd after complete procurement procedure of Information System Development
2	Improvement of District Offices of the National Fertilizer Secretariat	State Ministry / National Fertilizer Secretariat	30	19.839	66.13	Purchase of all computers, communications and office equipment required for the development of District Offices has been completed.
3	Improvement of the Fertilizer Laboratory of the Ceylon Fertilizer Company	State Ministry / Ceylon Fertilizer Company	19	3.383	17.8	Purchase of laboratory equipment required for the development of the Fertilizer Laboratory has completed

3. State Ministry of Livestock, Farm Promotion and Dairy and Egg Related Industries (Expenditure Head - 427)

Financial Progress - Summary

S/N	Details	Allocation (Rs. Mn.)	Expenditure (Rs. Mn.)	%
1.	Recurrent Expenditure	334.15	306.799	91.815
2.	Capital Expenditure	1,068.939	778.684	72.846

Development Programmes – Summary – Expenditur Head (427)

S/N	Details	Implementing Agency	Allocation (Rs. Mn.)	Expenditure	
				(Rs. Mn.)	%
1.	Promotion and popularizing of liquid milk consumption	State Ministry of Livestock, Farm Promotion and Dairy and Egg Related Industries	136.0	92.169	67.77
2.	Establishment of breeding farms		100.0	81.839	81.84
3.	Livestock development medium term programme		46.0	27.180	59
4.	Small and medium scale poultry farm development		45.0	44.532	98.96
5.	Pig farm development programme		15.0	13.071	87.14
6.	Improving productivity through small and medium scale dairy farm management		450.0	275.240	61.16
7.	Silage Production Project at Polonnaruwa Farm under the National Livestock Development Board		250.0	222.587	89.03
Total			1,042.0	756.618	72.62

Projects Implemented by Foreign Funds (Provisions of the Ministry of Agriculture - Expenditure Heads 118)

8.	Establishment of a New Dairy Factory Project, Badalgama (Sri Lanka / Denmark)	Implemeted by the State Ministry of Livestock, Farm Promotion and Dairy and Egg Related Industries	313.00	62.98	20.13
9.	Project on Development of Mini Dairy Cooperative Societies (Sri Lanka / France)		1981.00	1710.91	86
Total			2,294	1,773.89	77

4. State Ministry of Backward Rural Areas Development and Promotion of Domestic Animal Husbandry & Minor Economic Crop Cultivation

Financial Progress - Summary

S/N	Details	Allocation (Rs. Mn.)	Expenditure (Rs. Mn.)	%
1.	Recurrent Expenditure	212,355,600.00	191,492,679.33	90.2
2.	Capital Expenditure	267,567,400.00	216,121,680.68	80.8

Summary of Development Programmes – Expenditure Head (407)

S/N	Details	Implementing Agency	Allocation (Rs. Mn.)	Expenditure		Remarks
				(Rs. Mn.)	(%)	
1.	Undu and Green Gram Crop Cultivation Project (All Districts in Northern and Eastern Provinces)	Supervision: District Secretariat Implementation: Office of the District Director of Agriculture	50.00	48.394	97	(Allocation : Expenditure Head 425)
2.	Goat Breeding Project	Supervision: District Secretariat Implementation: Office of the District Veterinary Officers'	50.00	40.411	81	Allocations received by the Letter of Director of National Budget No. BD/RE/118/407/05/2021 and dated 11.06.2021
3.	Undu, Green Gram and Ginger Cultivation Project	Supervision: District Secretariat Implementation: Office of the District Director of Agriculture	100.00	87.813	87	Allocations received by the Letter of Director of National Budget No. BD/RE/118/407/01/2020 and dated 29.03.2021
		Total	200.00			
Projects Implemented by Foreign Funds						
1.	Construction of 3,400 Sanitary Units under the Grants of the Government of India (Batticaloa District) High Commission of India and Ministry of Backward Area Development		200.00 (Domestic - 100.00 Foreign - 100.00)	This project has been maintained under the Ministry in the year 2021, after the establishment of this Ministry as a State Ministry on 06.10.2020, The Memorandum of Understanding (MoU) is to be amended since it was expired.		

Ministry of Agriculture

Chapter 01 - Summary of Implementing the Corporate Profile

1.1 Vision

- A vibrant and dynamic agricultural sector for food security and national prosperity

1.2 Mission

- To achieve, globally competitive production, processing and marketing enterprises with socially acceptable, innovative and commercially-oriented agriculture, through sustainable management of natural resources of the country.

1.3 Objectives

- Ensuring food security through proper management of locally produced food and supplementary food stocks.
- Providing people with environmental friendly, healthy and poison free agro productions through management of residues also minimizing the application of chemical fertilizer and pesticide in the food production.
- Increasing productivity of crop productions and minimize production cost through introduction of mechanization, modern technology, efficient water management, crop diversification and soil conservation methods.
- Mobilization of producers to produce high quality agro production for local and foreign market through encouraging them to undertake high quality self-seed production, dissemination of value added production methods, adopt good agricultural practices (GAP) and good production practices (GPP).
- Contribution to increase paddy production through rehabilitation of tanks, canals and anicuts and re cultivation of abandoned paddy lands.

1.3 Key Functions

- Formulation of policies related to the subject of agriculture
- Policy guidance to the relevant State Ministries
- Implementation of projects under National Budget, Public Investment and National Development Programmes
- Formulation, implementation, follow up and evaluation of the subjects and functions of the institutions under the Ministry and related policies, programs and projects

1.4 Departments, Statutory Institutions & Public Corporations

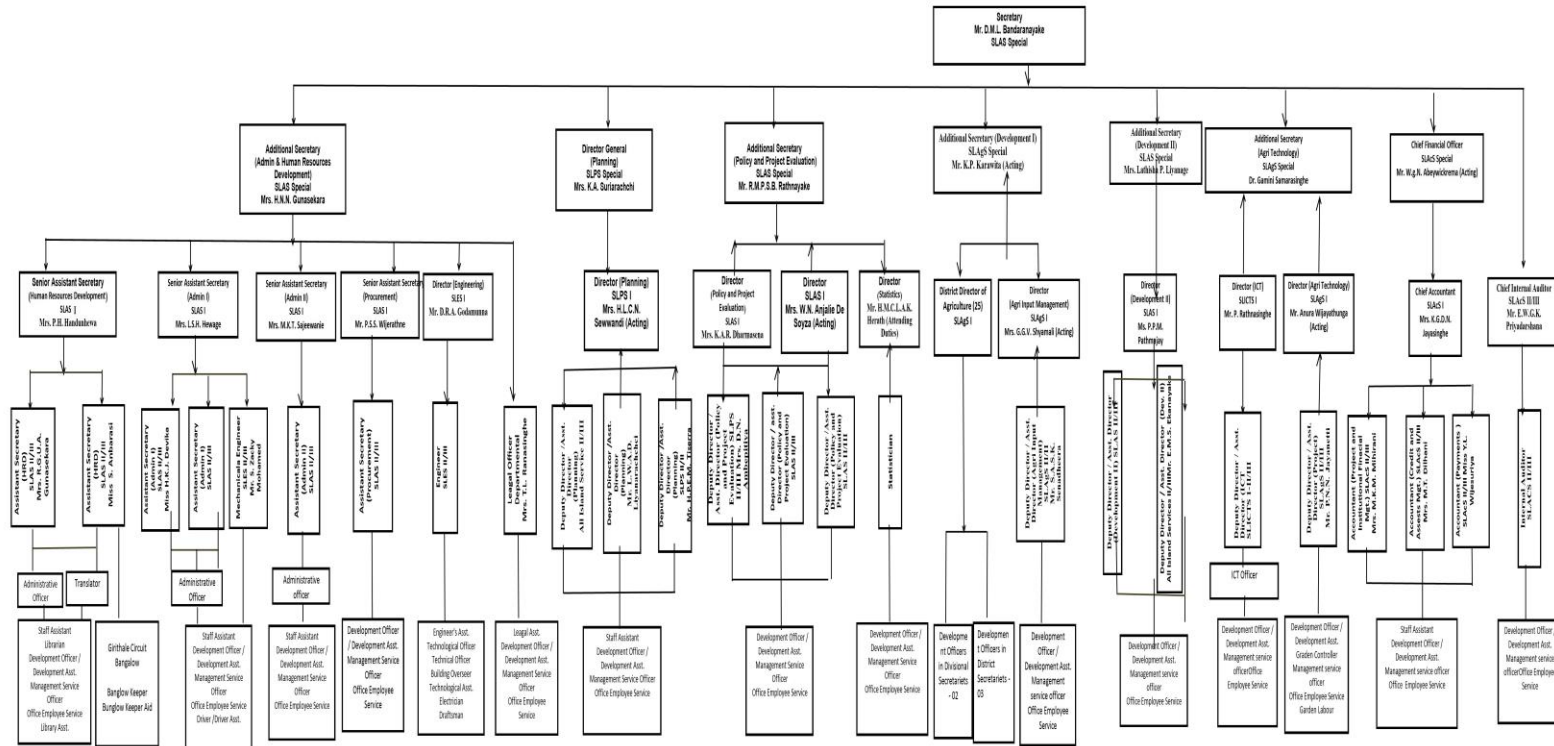
Laws and Ordinance to be Implemented

1	Department of Agriculture	Seed Act, No. 22 of 2003 Control of Pesticides Act, No. 33 of 1980 Soil Conservation Act, No. 25 of 1951 Felling of Tress (Control) Act, No. 9 of 1951
2	Agricultural and Agrarian Insurance Board	Agriculture and Agrarian Insurance Act No. 20 of 1999
3	Janantha Estate Development Board	State Agricultural Cooperation Act No. 11 of 1972
4	Lanka Phosphate Company Ltd	Companies Ordinance No. 7 of 2007
5	Paddy Marketing Board	Paddy Marketing Board Act, No. 14 of 1971
6	Hector Kobbekaduwa Agrarian Research and Training Institute	Agrarian Affairs Ordinance No. 5 of 1972
7	Sri Lanka Council for Agricultural Research Policy	Sri Lanka Council for Agricultural Research Policy Act (No. 47 of 1987)
8.	Farmers Trust Fund	

Financial Progress of the Projects implemented under the Foreign Aids

Financial Progress as at 31.12.2021 (Rs. Mn.)					
S/N	Project	Total Investment (Rs. Mn.)		Financial Targets and Progress	
		Allocations (Rs. Mn.)	Revised Amount	Allocation for the Year 2021 (Rs. Mn.)	Cumulative Expenditure as at 31.12.201 (Rs. Mn.)
1	Agriculture Sector Modernization Project (ASMP)	9374.37	US \$ 28 million which received as an European Union Aids	2959	1146.07 Progress 39%
2	Climate Smart Irrigated Agriculture Project (CSIAP)	25,200	22,500	3,210	1388.66 Progress 43%
3.	Smallholder Agribusiness Partnership Programme (SAPP)	17,171	-	2100	1,637.93 Progress 78%
4.	Establishment of a New Dairy Factory Project, Badalgama	11,783	-	313.00	62.98 Progress 20%
5.	Project on Development of Mini Dairy Cooperative Societies	4,086	-	1981	1710.91 Progress 86%
6.	Procurement and equipment management of Plant quarantine service .			40.00	0.34 Progress 1%
7.	Upgrading laboratory Facilities of Plant Quarantine service			25.00	1.42. Progress 6%

1.6 Organizational Structure



Chapter 02 - Progress and Future Outlook, Special Achievements, Challenges and Future Goals

Extract and Introduction

Although agriculture is the most important sector of the Sri Lankan economy, the COVID-19 epidemic has unprecedentedly obstructed to agriculture and the security of food systems. More than 90% of the total poor population in Sri Lanka is centralized in rural or plantation areas. The Agro Sector plays a significant role in providing employment opportunities to the rural poor community who make agriculture as their main livelihood in Sri Lanka.

Despite prevailing epidemic, and although its contribution to GDP over the past few years has become low, it could still be identified as an important source of employment for the majority of the workforce of Sri Lanka. Approximately 2,169,679 people, or 27.1% of the total employed population, are engaged in agriculture, including forestry and fisheries, as at year 2020. It has contributed 27.1% from agricultural sector, 26.9% from industrial sector and 46.0% from service sector, in the employment structure.

The contribution of the year 2020 to the GDP is as agriculture (8.36%), industrial (26.25%) and services (59.67%). Accordingly, youths could be encouraged to join the workforce through promoting entrepreneurship. The impact of changes in population composition that could adversely effect on economic growth could be minimized through improving the participation of the female workforce. The contribution that women could make in the agricultural sector is extensive.

According to the Report of Labour Force Survey 2020 of the Department of Census and Statistics of Sri Lanka, it has been calculated the employment in the agricultural sector at 27.1% and the labour force participation based on gender at 71.9% and the female participation at 32.0%. Also, referred to the economic development, the employment rate in the agricultural sector is estimated at 41.9%, while the percentage of informal employment in the agriculture sector is estimated at 58.1%.

Further, the agriculture is the leading employer in the Sri Lankan workforce. The rural sector contribution to same is 51.3%. Accordingly, it shows tendency of rural population towards agriculture and 27.1% of the labour population in the country is employed in the agricultural sector. Sri Lanka is a country with a population of 22 million and 74% of them fulfill their livelihood by working in the agricultural sector. There, 30% of the land is used for plantation crops and 1.45% of the land is used for minor lands. Growth in the agricultural sector has a major impact not only on the development of the agricultural sector but also on the development of the industrial sector. The contribution of the agricultural sector to the industrial sector has also expanded due to the expansion of agro-based industrial production.

Furthermore, the economically inactive population has increased from 7.832 million in 2019 to 8.273 million in 2020. Due to the Covid 19 epidemic, it has resulted on the growth of the economically inactive population, has temporarily deprived the opportunity of people who have lost their employment to make an another employment and the opportunity to actively seek employment, and further slowed down their active involvement in economic activity due to the nature of the epidemic. Despite such a slowdown, the State mechanism has made a significant contribution in order to keep the agricultural sector active, even during the Covid 19 emergency situations. (Source - Data of the Department of Census and Statistics)

Introduction

Agriculture has become the main livelihood of human community for over thousands of years as well as the economic culture of the entire world. Agriculture is the cultural sharing of love with the land which makes in harmony with nature while loving the earth. Agriculture which originated with the river valley civilization, is presently spread across many ways. It has created livelihood opportunities for a significant portion of the population of Sri Lanka, especially those in rural areas. However, in the face of the current climate challenges and insignificant incomes, the farming community seems to be abandoning their traditional agriculture and moving on to other livelihood opportunities. Breakdown of the food supply network under these climate challenges include drought, heavy rainfall, premature rainfall, seasonal changes and pest infestations, and current global epidemics such as Covid have identified as challenges in agriculture.

Planned Agriculture - (National Agriculture Policy)

Despite the above challenges, it is important to maintain the foundation required for agriculture, industry and other service sectors while at the same time creating an environmentally friendly and sustainable development. The agricultural sector has been given priority in the development process in every country of the world and we must keep in mind that planned agriculture was the basis for national development in countries such as the United States of America and Japan; the world powers in economy, industry and technology. The particular focus on agricultural policy in those countries has made an unchanging major source of employment and national income. Also, special attention in Asia, Africa and Latin America is being paid to accelerating food production and improving food security relative to the growing population. Sri Lanka has also formulated a National Agriculture Policy for Planned Agriculture and a People Centric Economic Development while achieving the objectives of the State Policy, “Vistas of Prosperity and Splendor”.

Global Examples - Youth Entrepreneurship (TEF - UNDP Sahel on Youth Entrepreneurship)

In addition, the United Nations Development Programme (UNDP) and the Tony Elumelu Foundation (TEF) (Public and Private Sector Partnerships) have launched a Youth Entrepreneurship Programme for the Sahel Region in Africa. This entrepreneurship programme will provide training, mentorship and financial assistance to 100,000 youths, taking into consideration the developed ideology. The target is to contribute to the overall goal of generating at least 10 million new employments and \$ 10 billion in new annual revenue across Africa. Although having such examples, young entrepreneurship in Sri Lanka is also generating innovation in various aspects, and the promotion of agricultural youth agro-entrepreneurs and innovation has attracted the attention of the youth community for the agricultural development of Sri Lanka as well as the impact of the National Agriculture Plan.

Shifting Gears: Digitization and Services-Led Development and Poverty

Also, the latest South Asian economic outlook named “Shifting Gears: Digitization and Services-Led Development”, predicts that the region's economy will grow by 7.1% in the years 2021 and 2022. It also predicts that the average economic growth in South Asia will be 3.4% in 2020-23. This is a situation with 3% less than the four years before the epidemic. The Covid 19 epidemic has caused long-term damage to the region's economy. Taking into account the poverty line of US \$ 3.20 per day, poverty in Sri Lanka is estimated at 10.9% in year 2021, which is clearly higher than the 9.2% in year 2019. The depreciation of the rupee, rising global market prices, rising global food prices and shortages of supply have adversely affected food security. Since countries convert in to recovery stage, we have the opportunity to reconsider our long-term development models. With the development of new digital technology, South Asia has the opportunity to develop the service sector in a way that is different from the traditional product-oriented economic strategies. Accordingly, the agriculture sector should also strengthen market relations by developing various service facilities with digital technology. It is expected that the "E-Agriculture" strategy being developed by the Ministry of Agriculture will support the Agricultural Data Management System to overcome this barrier, and especially digital technology will support on market sustainability.

Climate Change, Hunger and Malnutrition

Furthermore, the World Food and Agriculture Organization estimates that 8% of the world's population, or 690 million people, are suffering with malnutrition. Unfortunately that this amount is increased to a higher rate in the face of the current climate change and the Covid-19 epidemic. In Sri Lanka, 1.7 million people are malnourished, which is approximately 8% of the population. In Sri Lanka, malnutrition is prevalent among children under the age of 5 years, and Sri Lanka has a high rate of malnutrition, globally. Malnutrition is also common

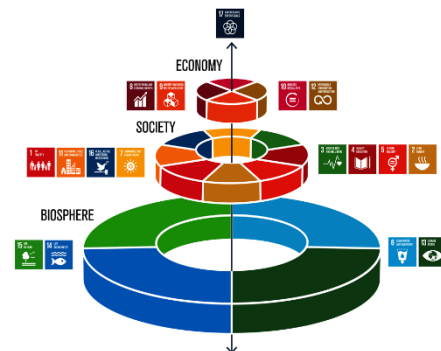
among native mothers and it is very high in the estate areas. Concurrent with malnutrition, about 30% of the food produced by the agriculture, fisheries and livestock sectors is destroyed due to inefficient production, consumer waste and transportation and distribution issues. In the view of climate change and other current crises such as COVID-19, we have made effort to reduce the effect on the operation of Sri Lankan food system and its supply chains and impact of climate change on same.

Ensuring Food Accessibility in the Face of Climate Change

Climate change and food insecurity are directly linked together. Floods, hurricanes, droughts and other hazards associated with climate change could weaken food security and severely affect agricultural activities. As a result, it has made huge effect on a various facts, including market access, trade, food supply, rising food prices, declining farm incomes, and employment etc. This climate change is leading to poverty, and thereby leading to increase food insecurity and malnutrition. Accordingly, measures have been taken to improve the climate adaptability of farmers living in climatically vulnerable areas of the crop field in Sri Lanka and to increase the productivity of the irrigation sector in selected such areas.

Sustainable Development - Food System Security - "We Need to Accelerate Future Steps"

The Sustainable Development Goals (SDGs) that established as a result of the Rio 20+ Summit, are a step forward in the Millennium Development Goals, which will extend from year 2015 to 2030 and it includes 17 Sustainable Development Goals. These goals are clear international process which built on sustainability in all areas such as economic, social and environmental. Furthermore, performance of these goals is designed to be a journey into the year 2030 that to maintain the people, the planet, partnerships, peace, and prosperity, with no one left behind. Furthermore, the concepts of the Sustainable Development Goals include the liberation of mankind from poverty, eradication of hunger, empowerment of women, adaptation to climate change, peace, security and good governance which consider as very important aspects. Considering climate change, food security and agriculture, the second, twelfth, thirteenth and fifteenth Sustainable Development Goals are the mostly effected primary Sustainable Development Goals.



The second Sustainable Development Goal (2. Zero Hunger) is to eradicate hunger, achieve food security and higher nutrition, and promote sustainable agriculture. Concurrently, the thirteenth Sustainable Development Goal (13. Climatic Action) is to take immediate action to prevent climate change and its effects. Further, the objectives of the second Sustainable Development Goal are to provide food access to all, including infants, the poor, and women and to eradicate their poverty by year 2030. In addition, doubling the agricultural

productivity by year 2030 through providing land, inputs, knowledge, financial services, etc., and providing a safe path to access the agricultural sector.

The thirteenth Sustainable Development Goal further states the inclusion of factors affecting climate change, in the formulation of national policies and strategies. In addition, inclusion of the preparation of the public for climate and natural disasters in the national policies. Also, the fifteenth Sustainable Development Goal (15. Life on Land) has highlighted the importance of ecosystem security and has promoted eco-agriculture while protecting our biodiversity and food systems.

Contribution of Sustainable Development and Agriculture

Accordingly, under the guidance of the Sustainable Development Council established in Sri Lanka, the Agriculture Sector from year 2021 has focused on the second Sustainable Development Goal and the twelfth Sustainable Development Goal, namely, the establishment of sustainable consumption patterns and the achievement of those objectives.

Food System Security

Although with the challenge of the COVID-19 epidemic, the global food production and supply chain has temporarily collapsed, the World Food System Summit, which was firstly discussed by the United Nations on 23.09.2021, entitled "Accelerating Steps for the Future We Need" indicated that we need to implement climate-friendly agricultural practices that will assist on ensuring sustainable food production systems and maintaining biological systems, by 2030. The Food System Summit calls for further international intervention in food security and climate disaster risk management, and Summit again outlines five specific Action Tracks among the 17 sustainable goals to be achieved by 2030, in order to ensure food systems safety.



- Action Track 01 - Ensuring Access to Safe and Nutritious Food for All
- Action Track 02 - Shifting to Sustainable Consumption Patterns
- Action Track 03 - Boost Nature - Based Solutions of Production
- Action Track 04 - Build Resilience to Vulnerabilities, Shocks, and Stresses
- Action Track 05 - Advance Equitable Livelihoods, Decent Work, & Empowered Communities

These trajectories, in particular specialize in food systems around the world and explore issues such as human rights, financial innovation, and women and youth empowerment. In particular, the Fifth Action Track, which seeks to ensure the continuity of sustainable food systems in the area prone to natural disasters. The Fifth Action Track further examines the need to protect food supplies from the effects of the current epidemic. The

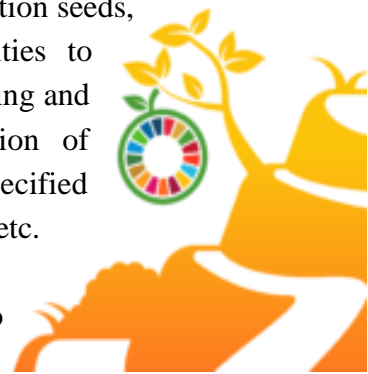


primary purpose of this Action Track is to ensure that all individuals in a food system are prepared for food instability and the process of adaptation. Accordingly, we have taken following steps to ensure food system security.

Production and Supply of Poison Free Food

Sri Lanka has introduced poison free food consumption approach at the Pre-Summit of the UN Food Systems Summit held in Rome. Measures have taken to ensure food security in a way that is environmental friendly to humans through banning the import of synthetic fertilizers, pesticides and herbicides. Mainly, number of measures have been taken such as production of agro-entrepreneurs in small groups, production of climatic adaptation seeds, cultivation according to agro-ecological zones, island wide storage facilities to maintain supply chain under any circumstances, popularization of organic farming and organic fertilizers, green agriculture, home gardening campaign, protection of agricultural biodiversity, restriction of imports for selected crops within a specified time frame, provision of seed subsidies, production of climate tolerant varieties etc.

Also, the Agricultural Youth Entrepreneurship Programme has been launched to attract the rural youth who are moving away from agriculture, back to agriculture. It has been included the measures taken to further strengthen the economy through increasing the contribution of agriculture to the GDP.



Special Projects Implemented by the Ministry

Constructing Store Facilities under Contingent Emergency Response Component (CERC)

Introduction

It has been planned to construct 102 stores throughout the island within 2021 at a cost of Rs. 1,036 Mn. under CERC credit facility of the World Bank. Store facilities are made available under 03 main crop groups – 05 stores for potatoes, 06 for onion and 91 for other field crops (OFC). Stores for potatoes with cold storage facilities are to be constructed. Accordingly, this programme has been implemented in consideration of providing short-term store facilities for farmers under the national programme of ensuring food security of the country and offering fair price for crop production with the objective of mitigating the impact on agricultural sector affected by COVID-19 pandemic situation.

Objective:

- Minimization of damages to harvest and ensuring the supply of increased crop production on time.
- Preservation of agro production to ensure food security of the nation.

Component

- Providing store facilities for Small Farmer Community

Methodology:

- All activities including construction of stores and purchasing of equipment etc. to be implemented adhering to the World Bank Guidelines.
- Submission of monthly progress to the Department of National Planning.
- Following the completion of constructions proper maintenance of stores jointly with farmers and organizations for same.
- Developing a methodology for operational and maintenance cost of those stores to be born by the respective farmer organization or Institutions.

Project Period

Work commenced in January 2020.

Allocations made for construction of stores (Rs. Mn.)

S/N	Activity	Allocations (Rs. Mn.)	
		US\$ Mn	Rs. Mn.
1.	Providing stores facilities	5.60	1,036

Allocation to provide stores facilities upto 31.12.2021

S/N	Allocation (Rs. Mn.)	Total (Rs. Mn.)
1.	For construction of stores - Rs. 1,021 Mn	1,036
2.	Cost on equipment required for stores Rs. 15 Mn	

Progress in the construction of stores by each institution

Financial Progress of Construction of Stores as at 31.12.2021

Construction Stage of Sub Projects											
S/N	Province	Implementing Agency								Total Projects	Allocations (Rs. Mn. with Vat)
		Department of Agriculture		Department of Agrarian Development		Provincial Department of Agriculture		District Secretariat			
		No. of Projects	Allocation	No. of Projects	Allocation	No. of Projects	Allocation	No. of Projects	Allocation		
1	Central	3	34.93	2	14.03	0	0	1	12.13	6	61.09
2	Eastern	4	19.77	0	0.00	6	62.23	1	10.63	11	92.63
3	North Central	3	13.68	4	47.01	0	0	5	65.78	12	126.47
4	Northern	1	5.18	1	13.91	10	99.33	0	0.00	12	118.42
5	Uva	1	4.94	1	5.91	8	77.12	0	0.00	10	87.97
6	North Western	1	4.75	3	15.73	7	58.36	0	0.00	11	78.84
7	Southern	1	4.54	0	0.00	4	27.42	3	32.03	8	63.99
8	Western	0	0.00	0	0.00	5	25.61	0	0.00	5	25.61
9	Sabaragamuwa	0	0.00	1	11.88	0	0	0	0.00	1	11.88
	Grand Total	14	87.79	12	108.47	40	350.07	10	120.60	76	666.9

Field Observations

Construction of 50 Mt stores for supplementary food crops (SP / 01 / Labuduwa - Galle) (NP / 5 Kilinochchi / Walpita - Gampaha WP / 2 and Ampara EP / 2)



2.1.2 Progress of Agricultural Development Programmes in the Year 2021

Agricultural Youth Entrepreneurship Development Programme

Vote 118-02-03-062-2509

Introduction

Although Sri Lanka has made higher progress in improving the living standards and poverty alleviation of the peasantry afflicted as well as the rural community, the Covid-19 pandemic has severely affected livelihoods and declining incomes. As explained in the above note, it has been focused on obtaining higher level of youth participation in climate change, food systems and food security, which the new dimension of the global sustainable development goals in the year 2021. The Agricultural Youth Entrepreneurship Programme has focused on introducing the opportunity for commercial agri business to the unemployed youth community as well as the youth community of different educational levels who are moving away from traditional agriculture and are isolated in the society and further enhancing the contribution of the agricultural sector to the GDP by involving young entrepreneurs in agrarian development programmes at the regional level.

Duration of the Project:- 01.01.2021 to 31.12.2021

Responsibility and implementing Individuals/ Institutions:-

- Ministry of Agriculture
- District Secretary/ District Director of Agriculture
- Department of Agriculture

Activities to be implemented under Agricultural Youth Entrepreneurship Development Programme;

- Introducing National Agriculture Policy
- Establishing and implementing Agricultural Management Information System
- Establishing soil testing facilities in Agrarian Services Centre
- Empowering youth agri-entrepreneurs
- Establishing Agriculture Export Villages
- Facilitating for youth entrepreneurs to gain access to modern technology
- Monitoring and evaluation of development programmes and projects
- Enhancing human resources skills of field officers in the agriculture sector.

Financial and Physical Progress achieved under Agricultural Youth Entrepreneurship Development Programme

Total allocation made on aforesaid programme was Rs.75.00 Mn. Expenditure on programmes were Rs. 11.39 Mn. Financial progress is 61% while investment commitment amounts to Rs. 1.18 Mn. Main programmes mentioned below have been implemented under that.

1. Formulation of National Agriculture Policy

National Agriculture Policy - Scope

The National Agriculture Policy has been formulated to increase the contribution of the agricultural sector in order to create a productive economy instead of a dependent economy, concurrent with the objectives of the State Policy Statement 'Vistas of Prosperity'. In addition, special attention has been made to attracting the youth to various sectors of agriculture in order to develop sustainable food systems, promote green agriculture, reduce the use of chemical fertilizers, protect crops and harvest, and build agri-entrepreneurs who will become self-sufficient locally and export-oriented. It was expected to improve the livelihood of the farming community through a planned agricultural policy and Thirteen (13) targets have been included in the National Agriculture Policy as directly be able to evaluate with the consent and observation of all stakeholders.

The Main Areas focus through the National Agriculture Policy:

The focus of the National Agriculture Policy is referred to two main areas. That is,

1. Food and animal feed crops
2. Sustainable food security with quality food production

The Main Areas to be considered,

Through the broad discussion held in the formulation of the National Agriculture Policy, the following eight (08) key areas have been identified which requires in taking policy action.

1. Crop production and productivity development
2. Achieving independence and self-sufficiency in basic needs for food and animal feed crops
3. Planned resource utilization
4. Creating market competition
5. Climate-adapted agriculture
6. Minimizing all form of risks and uncertainties
7. Adopting more youth and women for agriculture
8. Maintaining better connection between the Central Government and the Province

The vision and mission of the National Agriculture Policy formulated by consensus of all stakeholders is as follows.

Vision:

Sustainable food security to achieve national prosperity

Mission :

Establishing a socially acceptable, sustainable and eco-friendly food system that satisfies producer and consumer through a globally competitive agricultural production, processing and market mechanism.

Targets

- Objectives of the National Agriculture Policy expected to be achieved in year 2030
- Doubling the resource productivity by adopting sustainable and environmentally friendly agricultural practices (According to estimate of 2020).
- Doubling the economic profitability of farmers / agricultural producers (According to estimate of 2020)
- Increasing the contribution of agro food system to the national economy by 15%.
- Increasing the utilization of locally developed technology for agro-food value addition, at least 50% over current status.
- Increasing the level of local production of high yielding locally produced quality seeds and planting materials up to 50% of the national requirement.
- Increasing the requirement for use of eco-friendly inputs in crop production up to 100%.
- Providing safe and quality food / animal feed in accordance with the existing regulations on food / animal feed control, in the country.
- Establishing a government regulated food and animal husbandry system that supports certification, standardization and other supply chains.
- Establishing agri-entrepreneurial / agro-production groups linked to an efficient trade mechanism.
- Ensuring the role and mandatory participation of farmers and agro producers in the decision making process.
- Establishing an agro-food system in Sri Lanka in order to cope with climatic and other disasters.
- Establish a transparent, accountable and participatory governance system for decision making.

Thematic Area

Ten (10) thematic areas agreed upon by the stakeholders and fifteen (15) policy statements identified under those thematic areas are mentioned below.

(1). Thematic Area : Crop Production and Productivity

- 1. Improving food / animal feed production and productivity through establishing well-organized agro-production system by utilizing agro-ecological potential and strengthening food production systems.**

(2). Thematic Area : Input Management

- 2. Efficient delivery and management of physical inputs and providing space for careful consumption of those inputs.**
- 3. Utilizing inputs in maximum level by ensuring the farming community and environmental security and improving the productivity and sustainability of cultivation land through better management.**

4. Systematic use of irrigation water through participatory management approach in order to improve irrigation water utilization efficiency.

(3). Thematic Area : Advanced Technology Methods

5. Encouraging the adoption and improvement of appropriate innovations and technologies in pre / post-harvest management in order to ensure the sustainability of the agro-production process.

(4). Thematic Area : Food Safety and Quality Management

6. Developing access to safe and high quality foods and animal feeds based on national and international standards for the health protection of human and animals.

(5). Thematic Area: Eco-Friendly Operations

7. Conservation and utilization of natural resources while ensuring the safety of ecosystems and thereby strengthening the sustainability of agricultural development.

(6). Thematic Area: Agri-Entrepreneurship and Marketing

8. Encouraging value-added products through strategic partnerships in the value-added process, especially targeting the local and international markets.

9. Restoration and exploration of local and foreign market access through systematic utilization of appropriate supply services following national and international standards.

(7). Thematic Area: Manufacturer Empowerment

10. Strengthening participatory and mentoring programmes for the rural and farming community to acquire agricultural expertise and develop appropriate decision-making skills to achieve economic independence.

11. Empowerment of the youth and women community engaged in agriculture through a productivity based incentive system that focuses on agro-mechanization and provides access to new technologies.

(8). Thematic Area : Climate Adaptation and Risk Management

12. Encouraging the adoption of appropriate adaptation and impact mitigation measures in order to enhance the resilience to climate change in the food crop sector.

13. Strengthening food production / supply systems through linking the urban and rural communities to deal with climate change and other types of disasters.

(9). Thematic Area : Knowledge Management and Agricultural Project Services

14. Establishing an information development and dissemination system with centralized administration over research, development and project service management and recruitment to the agricultural sector.

(10). Thematic Area : Management and Operations Management

15. Strengthening institutional coordination mechanisms with broad stakeholder participation at the national and local government levels for the successful implementation, monitoring and evaluation of projects for sustainable agricultural development.

Financial Progress

Activities mentioned in the Action Plan	Target to be Achieved	Expenditure	Target
1. Consultative Committee Meetings on drafting of the National Agriculture Policy	0.80	1.33	Reports - 01
2. Consultation of stakeholders	0.41		Consultations - 15
3. Advertisements	1.35		News Paper Advertisements - 1
4. Activities related to preparation of pamphlets and documents	0.35		Finacial Progress 44%
5. Administrative Expenditures	0.09		
Total	3.00		

Physical Progress achieved

The draft National Agriculture Policy prepared under the guidance of an expert committee appointed under the chairmanship of the Hon. Minister of Agriculture, has been prepared to achieve 10 key objectives through 15 policy statements under 13 key themes.

Following the drafting of the National Agricultural Policy by the Committee, action has been taken to sought the views and suggestions of the general public through a trilingual newspaper advertisement.

Then, an ideas and suggestions were obtained after create awareness among farmers' organizations, private sector, university lecturers, government officials and all those ideas and suggestions were reviewed and the report of this National Agricultural Policy was completed in trilingual.

Accordingly, the draft National Agriculture Policy has been submitted to achieve the above 13 policy objectives with special attention referred to the establishment of an eco-friendly agricultural system to move away from subsistence agriculture towards a production economy based on demand and providing a poison free diet to the general public, building import-substitution and export oriented agro-entrepreneurship and attracting the youth of the island to various sectors of agriculture.

2. Establishment and Implementation of Agricultural Management Information System

This information system is designed to meet the agricultural information requirements of all stakeholders in the field of agriculture. Also, policy makers and development planners will be able to obtain timely, up-to-date updates as required. It also can provide accurate information on product surplus through inclusion of market pricing, crop damage determination, production potential measurement, and economic hubs, and warehouses in this network.

Physical and Financial Progress

Activities mentioned in the Action Plan	Financial Targets to be Achieved (Rs. Mn.)	Expenditure (Rs. Mn.)	Target	Physical Progress Achieved
1. Conducting Awareness Workshops and Seminars	1.91	0.24	25 Districts	A questionnaire has been prepared for workshops and seminars. Preliminary sample tests have been carried out. Approval of the Cabinet of Ministers has been obtained for the purchase of tablet computers. 06 training workshops for senior officers of the Department of Agriculture were conducted.
2. Purchase of Information Technology (IT) equipment	1.00		02 Computer Kits	
3. Administrative Expenditure	0.09			
Total	3.00		Financial Progress Obtained 8%	

3. Establishment of Soil Testing Facilities at Agrarian Services Centre Level

Introduction

It has been emphasized referring to the use of quality fertilizers to accelerate production while conserving soil biodiversity considering the Sustainable Development Goals (Zero Hunger - 2) 2.1 End Hunger 2.3, Double the Agricultural Productivity, 2.4, Ensure Sustainable Food Production Systems and (Life on Land - 15) 15.9 By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts and mobilize and significantly increase financial

resources from all sources to conserve and sustainably use biodiversity and ecosystems (15.a). The present Government has aimed to reduce the use of chemical fertilizers and direct the use of organic fertilizers in order to reduce the impact of chemical fertilizers on soil and soil water and adverse effects on human beings.

Soil Testing

Therefore a programme has been implemented to recommend the fertilizer requirement in consideration of prevailing soil nutrition and the type of crops to be cultivated after soil testing. Accordingly, initiatives have taken already for purchasing and distribution of soil testing kits among Agrarian Services Centres totaling 562 with one set per one ASC. Accordingly, it has been planned to establish soil testing facilities (pH meter, EC meter etc.) to supply chemical requirements for this purpose, conduct 20 training workshops to train officers and to prepare 100,000 soil testing cards and 03 banners. Allocation made for this is Rs. 26.68 Mn.

Physical Progress

Activities according to the Action Plan	Allocation (Rs. Mn.)	Expenditure (Rs. Mn.)	Targets of Physical Progress
It has been decided to provide soil testing kits to 562 Agrarian Centers. Establishment of soil testing facilities at Agrarian Service Centers (pH meters, EC meters, supply of chemicals,	15.4	23.12	Provided soil testing kits for 562 Agrarian Centers
Trainings and Awarenesses	1.0		Conducted 20 training programmes
Printing of soil testing kits and banners	9.5		1,000,000 kits and 3 banners
Administrative Expenditure	0.78		
Total	26.68		

Financial and Physical Progress

- Rs. 26.68 Mn. has been allocated for this project. 23.12 Mn. has been spent. Financial progress is 87%.

Progress – According to the Main Activities

1. Providing Soil Testing kits to all 562 Agrarian Service Centres.

- 100 Soil testing kits have been made available from Food and Agriculture Organization (FAO)
- 362 Soil testing kits have been purchased by the Ministry of Agriculture
- 100 Soil testing kits have been purchased by Climate Smart Irrigated Agriculture Project.

2. Training of Agriculture Research and Production Assistants and Agriculture Instructors on carrying out soil testing

- Training programmes have already been conducted In Kandy, Matale, Trincomalee, Nuwaraeliya, Badulla, Monaragala, Matara, Galle, Hambantota, Batticaloa, Ampara, Anuaradhapura and Polonnaruwa at district level.
- Conducted 40 training workshops. (435 AI / ARPAS)
- About 50% soil tests have been carried out in the Eastern Province. 3400 samples were tested and 750,000 soil testing kits were printed and distributed.

4. Youth Entrepreneurs Empowerment Programme

Introduction

According to Sustainable Development Goal 2.3, which is expected to be achieved by 2030 through managing the risks of emergencies and epidemics, it is expected to equally increase the agricultural productivity and income of small scale food producers, especially women, indigenous community (rural farming community) farming families, to double the production by providing product resources and grants, knowledge, financial services, market and value addition, and employment opportunities on the farm and non-farm sector etc. The Young Agricultural Entrepreneurship Empowerment Programme has been implemented as a step towards actively supporting them in generating income according to the plans of the National Agriculture Policy and with the aim of rural youth communities having requirements.

Implementing Agency / Division

- Agricultural Input Management Division / Ministry of Agriculture
- District Director of Agriculture (Matara / Galle / Hambantota / Kalutara)

Financial Progress

Details	Allocation (Rs. Mn.)	Expenditure (Rs. Mn.)	Financial Progress (%)
Agricultural Youth Entrepreneurs Empowerment Programme	6.5	1.91	29% Commitments 0.15 (Rs. Mn.)

The progress achieved by districts is mentioned below.

Galle District

01) Project - Promotion of Lime and Orange Cultivation - Karandeniya

Introduction

The project is aimed to encourage selected fruit based agro manufacturers as well as to promote nutritious and commonly used fruit based products such as passion fruits in the Karandeniya Divisional Secretariat Division in the Galle District. It has been allocated 0.128 Mn for the project and 0.128 Mn has been expended and therefore, 100% financial progress has been achieved. Most of the female entrepreneurs in the area have contributed to this project.

The way of distributing lime and passion fruits plants and making awareness by the field officers has been indicated below.

Field Observation Date - 13 / 14.12.2021



Venue - A / Hipankanda Community Hall

Resource Contribution - Mr. Buddhika Maduranga, Agriculture Instructor (Uragasmanhandiya)

Coordinating Development Officers - Ms. Ioma Tilakaratne, Ms. Nilanka Hemanthamala

Physical Progress

Activities (According to Action Plan)	Allocation (Rs. Mn.)	Physical Target	Physical Progress
Conducting training programmes	0.0094625	60 Trainees	In the initial round, 1 training programme was conducted for 90 farmers.
Purchasing lime plants	0.065	300 Plants	450 lime plants have been provided as 5 lime plants per each beneficiary.
Purchasing of passion fruits plants	0.053	600 Plants	900 passion fruit plants have been provided as 10 passion fruit plants per each beneficiary.
Administrative expenditure (3%)	0.0012875	Physical targets have been achieved according to the action plan.	
Total amount	0.12875	Have expended 0.128 Mn.	

02) Project – Bee Keeping Project, Kadawath Satara

Introduction

The main objective of this project is to select 15 low income beneficiaries who are interested in bee keeping in the Kadawathsatara Divisional Secretariat Division in the Galle District, and to increase the local honey production and thereby provide quality honey to the market and to create honey production entrepreneurs. Improving by-products such as bee wax and providing honey for pharmaceutical products will support in uplifting the economy of rural entrepreneurs. Economically viable floriculture can also be promoted in connection with bee keeping. Increasing the number of honey production units carried out by small farming units locally will bring more economic benefits. Rs. 0.112 Mn has been provided for the project, Rs. 1.112 Mn has been spent and accordingly, 100% financial progress has been achieved. The way of achieving training requirements by the 15 selected beneficiaries and the required technical inputs are provided are indicated below.

Field Observation Date - 19.11.2021
 Venue - Agriculture Training Center, Poddiwela
 Resource Contribution - Farm Manager
 Development Officer - N. M. W. Chandrakanthi



Physical Progress

Activites (According to Action Plan)	Allocations (Rs. Mn.)	Physical Targets	Physical Progress
Training programmes	0.00965	Beneficiaries - 15	Training programme was conducted for 15 beneficiaries. 15 bee boxes, 15 colonies, 15 face shields, and 15 smoke detectors provided for 15 selected beneficiaries.
Purchasing bee boxes	0.0275	Bee boxes - 15	
Purchasing bee colonies	0.03375	Bee colonies - 15	
Purchasing face shields	0.01125	Face shields - 15	
Purchasing smoke detector	0.03	Smoke detector - 15	
Administrative expenditure	0.00335	The financial and physical target stated in the action plan is achieved by 100%.	
Total amount	0.1155		

03) Project - Thumba Karawila Cultivation Project - Galle

Introduction

This project is aimed to popularize the cultivation of tumba, a traditional food with nutritious value, by making effective use of the existing land of 50 selected entrepreneurs in the Kadawathsatara Divisional Secretariat Division in the Galle District. As the price of tumba

karawila in the market is very high, it will be able to strengthen the economy of the rural cultivators. The amount allocated for this project is Rs. 0.04325 Mn and the amount spent is Rs. 0.04275 Mn. It is also targeted to increase the percentage of referrers to thumba karawila cultivation in the Kadawath Sathara Divisional Secretariat Division by 25% in the year 2022. Observations on distribution of plants to thumba karawila cultivators in the Kadawath Sathara Divisional Secretariat Division and the way of panting those plants are indicated below.



Field Observation - 01.11.2021

Venue - Divisional Secretariat

Resource Contribution - Agriculture Instructor

Coordinator - K. H. Mihishani (Development Officer)

Physical Progress

Activities (According to Action Plan)	Allocations (Rs. Mn.)	Physical Targets	Physical Progress
Conducting training programmes	0.01149	Beneficiaries - 50	A training program has been conducted for 50 beneficiaries and a sum of Rs.500.00 has been reimbursed.
Obtaining planting material	0.0305	Plants - 400	400 plants have been provides as 8 plants per each beneficiary.
Administrative expenditure	0.00126	Rs.500 / = has been reimbursed.	
Total amount	0.04325		

04) Project - Mushroom Cultivation - Habaraduwa

Introduction

With the public interest in vegetarian and non-vegetarian foods, there is a higher demand for mushroom products in the market. It is expected to promote cultivation production, increase nutritional needs and create self-employment as well as home-based women entrepreneurs,

through promoting commercial mushroom cultivation in the Habaraduwa Divisional Secretariat Division in the Galle District which exists high potential for mushroom cultivation. It will enable high quality produce to reach the rural market by insect-free mushroom production. Rs. 0.106 Mn has been allocated for this project and Rs. 0.095 Mn has been expended.

Field Observation - 11.10.2021

Venue - Divisional Secretariat, Habaraduwa

Resource Contribution - Agriculture Instructor

Coordinator - K. S. Amali (Development Officer)



Activities (According to Action Plan)	Allocations (Rs. Mn.)	Physical Target	Physical Progress
Awareness programmes	0.005	Programmes - 1	Training programmes have been conducted
Providing Israel anti-insect nets	0.10185	Anti-insect nets 21	18 Israel anti-insect nets were provided to 17 beneficiaries. Rs. 12,047 has been reimbursed.
Administrative expenditure	0.0013	Rs. 0.012 Mn has been reimbursed.	
Total amount	0.10815		

05) Project - Providing Automatic Water Sprinkler Kits for Cultivation Houses to Increase the Productivity of Mushroom Cultivation - Yakkalamulla

Introduction

Objectives of this project are uplifting primary mushroom growers, encouraging new agri-entrepreneurs, controlling diseases and pests in mushroom growing and providing opportunity to value added product entrepreneurs by providing automatic water sprinkler kits to cultivation houses in order to increase the productivity of mushroom cultivation for 05 successful entrepreneurs engaged in mushroom cultivation in Yakkalamulla Divisional Secretariat Division in Galle District. The amount allocated for this is Rs. 0.04 Mn and the amount expended is Rs. 0.04 Mn.

26.10.2021

Venue - Velendawa Domain – Ms. K. A. Manel Renuka



Physical Progress

Activities (According to Action Plan)	Allocations (Rs. Mn.)	Physical Target	Physical Progress
Providing automatic water sprinkler kits (50% beneficiary contribution)	0.0375	Water sprinkler kits - 5	Water sprinkler kits have been provided for 3 beneficiaries.
Administrative expenditure (3%)	0.001125		
Total amount	0.038625		

Hambantota District

01) Cultivation of vegetables under sprinkler irrigation Bandagiriya - Rs. 0.9579 Mn

Introduction

This project is aimed at increasing crop productivity and production in quantitative and qualitative manner by adhering to recommendations of good agricultural practices (GAP) and improving food security through continuous vegetable production, through solving the water issue for 15 farmers who are cultivating vegetables on a commercial scale in the Bandagiriya Agricultural Instructor Division in the Bandagiriya Agrarian Services Division which belongs to the Hambantota and Lunugamvehera Divisional Secretariats in the Hambantota District. The amount allocated is Rs. 0.957900 Mn and the amount spent is Rs 0.071140 Mn. The way of the vegetable cultivation including field observations made by the Bandagiriya Agriculture Instructor using images is indicated below.



Physical Progress

Activities (According to Action Plan)	Allocations (Rs. Mn.)	Physical Target	Physical Progress
Purchasing ½ Acre water sprinkler systems	0.675	Water sprinkler systems 15	The project has not been able to carry out as targeted due to problems such as rising prices of sprinkler systems against the us dollar, lack of a suitable supplier and backward of farmers' contribution.
Purchasing Diesel water pumps (7 inches 7 horsepower)	0.13	Water pumps 2	
Purchasing Diesel water pumps (2 inches 5 horsepower)	0.55	Water pumps 1	
Purchasing Knapsack liquid sprayers (16 Liters)	0.07	Knapsack liquid sprayers 7	
No. of beneficiaries		15	15 Badagiriya
Training programmes		1	Training workshop was conducted and field observations were completed.
No. of field observations		30	
Administrative expenditure (3%)	0.0279		
Total amount	0.9579		

02) Introduction of Udu Cultivation and Increase Production in Hambantota District

Introduction

It is expected to produce 3,000 Kg of undu seeds required for an area of 100 hectares during the Yala season 2021 referring with 25 selected farmers in Beralihela, Weerawila, Bandagiriya, Lunama, Ambalantota and Mayurapura Agrarian Service Areas in the Hambantota Inter-Provincial Area. The amount allocated for this project is |Rs. 3.780000 Mn and the amount spent is Rs. 0.227868 Mn. The field observations made by Beralihela Agriculture Instructor is indicated below.



Field Observations - Field observations made by Beralihela Agriculture Instructor

Physical Progress

Activities (According to Action Plan)	Physical Target to be Achieved	Physical Progress
1. ½ Acre Water sprinkler systems 25	25	-
2. Udu seeds 125 kg	125kg	125kg have been produced.
3. Purchasing 2000 kg of Udu seeds from farmers	2000kg	-
4. 07 Training programmes	07	01
Area where the development programme was carried out	Beralihela, Weerawila, Badagiriya, Lunama, Ambalantota, Mayurapura, Kaltota.	
No. of beneficiaries	24	
No. of training programmes conducted	01	
No. of field observations	50	

03) Introduction of Mechanization for Seed Paddy Production, Weerawila Agriculture Instructor Division -

Providing lawn mowers, to continue weed control in order to produce quality seed paddy and to increase the purity of seed paddy, under the Yaya 2 programme, for paddy cultivation in Wirawila Agriculture Instructor Division in Lunugamvehera and Tissamaharama Divisional Secretariats in Hambantota District was the aim of this project. Allocation is Rs. 0.72 Mn while Expenditure is Rs. 0.61 Mn.

Field observations and physical progress are given below.

Field Observation - Conducted by Lunama Agriculture Instructor.



Physical Progress

Activities (According to Action Plan)	Allocations (Rs. Mn.)	Physical Target	Physical Progress
Purchase and distribution of lawn mowers for seed paddy farmers	0.70	Lawn mowers 70	70 lawn mowers have provided to farmers
Beneficiaries		70	Machineries have been provided to 70 beneficiaries
Field observations		80	Rs. 0.61 Mn have been expended and financial progress 84%
Administrative expenditure 3%	0.021		
Total	0.721		

Matara District

01) Project - Promotion of Bee Keeping - Malimbada

This project is aimed at strengthening the economy of the rural people living in the Malimbada Divisional Secretariat Division in the Matara District, increasing honey production through improving bee keeping, establishing a bee village in the division, creating entrepreneurs with skills in bee colony breeding, encouraging young agri-entrepreneurs to generate income etc. The amount allocated is Rs. 0.173 Mn and the amount spent is Rs. 0.17 Mn.

Field Observations

The way of implementing beee Project in Horagoda West - Horagoda area on 24.12.2021 successfully as observed by Ms. Bimali Udayangika, Development Officer is indicated below.



Physical Progress

Activities (According to Action Plan)	Allocations (Rs. Mn.)	Physical Target	Physical Progress
Training and awareness programmes for selected beneficiaries	0.00626	Programmes 2	2 training programmes have been conducted
Purchase and transportation of bee control equipment, face masks / shields and fumigation machines for beekeeping	0.1625	30 Farmers	Purchased and transported bee control equipment, face masks/ shields and fumigation machines for 30 targeted beneficiaries. The project has achieved 70% of physical progress.
No. of beneficiaries		30	
No. of training programmes		02	Training programmes and field observations have been completed
No. of Field observations		02	
Administrative expenditure	0.0065925		Expenditure is Rs 0.17 Mn while financial progress is 100%
Total amount	0.1738228		

02) Bee Keeping Project - Matara (Kotapola)

This project is aimed at strengthening the economy of the 30 bee keepers in rural community who are engaged in bee keeping in the Beliatta Kumbura Grama Niladhari Division in the Kotapola Divisional Secretariat Division in the Matara District towards agri-entrepreneurship (Bee honey, bee wax, royal jelly) and thereby strengthening the economy of the honey manufacturing community. The allocation for this project is Rs 0.72 Mn and the expenditure is Rs. 0.17 Mn.

Field Observations - Beliatta Paddy on 03.12.2021 - Field observation on the establishment of bee colonies in the Waturawa area -

P. Rasika Kumari, W. D. K. Nuwan Dharshana and Chandana Hettiarachchi were conducted these field observations.



Physical Progress

Activities (According to Action Plan)	Allocations (Rs. Mn.)	Physical Target	Physical Progress
Training and awareness programmes for selected beneficiaries	0.01066	Programmes 1	The training programme was conducted successfully
Purchasing and transportation of bee control boxes	0.1535	150 bee control boxes (5 per farmer)	Encouragement for Entrepreneurship by providing 170 bee boxes for 32 Beneficiaries
Training programmes conducted		02	02
No. of Field observations		08	08
Administrative expenditure (3%)	0.0049248		Expenditure (Rs. 0.17 Mn)
Total amount		0.1690848	

Kalutara District

01) Encouraging Small Agri Businesses through Promotion of Value Added Products in The Kalutara District

The primary objective is to encourage small businesses through value-added product development and promoting the marketing of agro products, creating self employment and preserving agro products according to hygienic methods for locally surplus agricultural production in DS Division: Millaniya (GN Division: Ballanthudawa, Paragastota, Keselgamuwa) Ingiriya (GN Division: Kekuladola). Allocation is Rs. 0.2678 Mn. Expenditure is Rs. 0.2678 Mn.

Field Observations - Below are the images including the field observations made by the Field Monitoring Committee / Subject Officer and the Agricultural Development Officer of the Divisional Secretariat Millaniya - Kelesgamuwa on 17.11.2021 / 30.11.2021



30.11.2021 - Steamer for Boiled Rice Production and Paddy Soaking Tank for Boiled Rice Production
Ingiriya, Kekuladola



Physical Progress

Activities mentioned in Action Plan	Targtes to be Achieved	Physical Progress Achieved
Selection of beneficiaries	Beneficiaries 10	Beneficiaries 04
Conducting training programmes	Training programmes 01	Training programmes 01
Granting benefits	Production units 10	Production units 04
No. of beneficiaries	04	
Training programmes conducted	01	
No. of field observations	08 (Selection of beneficiaries -04, after granting benefits - 04)	

02) Establishment of Agro Export Villages Programme - Rs. 25.0 Mn

Introduction

The programme aims to mobilize the farming community, including the rural youth, in order to produce in both national and international markets. The amount allocated for this project is Rs. 10,238,400.00. The amount spent was Rs. 7,581,008.00.

Objectives

- Facilitate new agro-technological innovations for young entrepreneurs

Impelemting Agency / Division

- Agricultural Input Management Division / Ministry of Agriculture
- District Director of Agriculture (Matara / Galle / Hambantota / Kalutara)

Nuwara Eliya District

01) Project - Cultivation of crops using new cultivation technology and good agricultural practices, Hanguranketha

Introduction

Introduction of new agricultural techniques and good farming practices to the traditional vegetable cultivators in the Assistant Director of Agriculture Zone, Hanguranketha in the Nuwara Eliya District of the Central Province and thereby presenting quality produce to local and foreign markets, maintaining quality of agricultural produce through good agricultural practices, efficient use of water, minimization of cost of crop production through new technology, obtaining foreign cost to the country through export oriented cultivation and increasing farmers' income accordingly. The amount allocated is Rs. 4.8 Mn. Expenditure Rs. 4.49 Mn.

Field Observations

Field observations conducted by Mr. Jayalath Bandara, District Director of Agriculture, Hanguranketha Assistant Director of Agriculture Zone, and R. S. Sirichandra, the Deputy Director of Agriculture on 27.01.2022

Hanguranketha Assistant Director of Agriculture Zone - Purchased drip irrigation kits and how polythene mulch is applied is given below.



Physical Progress -

Activities mentioned in Action Plan	Targets to be Achieved	Physical Progress Achieved
1. Selection of beneficiaries	Beneficiaries 30	Beneficiaries 30
2. Purchase of electric fences	Electric fences 30	Electric fences 30
3. Purchase of drip irrigation kits and polythene mulch	Drip irrigation kits 30 Polythene mulch 60	Drip irrigation kits 30 Polythene mulch 60
4. Purchase of organic fertilizer	Organic fertilizer 7200 KG	Organic fertilizer 7200 KG
5. Purchase of anti-insect nets	Anti-insect nets 30	Anti-insect nets 30
6. Administrative expenditure	Rs. 180000	-
Area where the development programme was carried out (District / Grama Niladhari Division)	Nuwara Eliya District - Hanguranketha Assistant Director of Agriculture Zone	
No. of beneficiaries	30 ☞	
Training programmes conducted	Training programmes - 05	
Field observations	Field observations - 20	

Kandy District

01) Project - Strengthening the Vegetable Supply Chain in the Kandy District through the Introduction of Advanced Technology

Introduction

Protecting local consumers and creating a better export market for local producers by enhancing the availability of high quality vegetables through advanced technology and good agricultural practices; The amount allocated for the strengthening of the vegetable supply chain in the Kandy District through the introduction of advanced technology is Rs. 4.635 Mn., Expenditure is Rs. 2.029 Mn.

Field Observations

Distribution of nets in Poojapitiya Divisional Secretariat on 30.12.202 by Mr. S. G. G. S. Jayasinghe, Development Officer (Poojapitiya Divisional Secretariat) and Distribution of nets in the Pathahewaheta Divisional Secretariat on 30.12.2021 by Sagarika Dilhani, Divisional Secretary, and Mihira Bandara and Dimuthu Ratnayake (Development Officer).



Physical Progress

Activities (According to Action Plan)	Allocations (Rs. Mn.)	Physical Target to be Achieved	Physical Progress
1. Distribution of 14 drip irrigation systems	4.2	14	4
2. Establishment of 10 safe houses.		10	-
3. Distribution of 555 agricultural fences (wire nets)		555	555
Area where development programme was carried out (District / Grama Niladhari Division)	Kandy District Agricultural nets have been provided to Medadumbara, Poojapitiya, Pathahewaheta, Ganga Ihala Korale, Pasbage Korale and Hataraliyadda Divisional Secretariats. Distribution of drip irrigation systems have been provided for Medadumbara, Udapalatha, Harispattuwa and Akurana Divisional Secretariats.		
No. of beneficiaries		108 + 4 = 112	
Training and providing information	0.2	Beneficiaries 40	
Organizing meetings, workshops and discussions with supermarkets and exporters	0.1	04	
Administrative expenditure	0.135		
	4.635		

Hambantota District

Improving the Productivity of Vegetable Products - Hambantota

Field Observation- Impelented by the Agriculture Instructor, Lunama



Physical Progress

Development Programme		Improving the Productivity of Vegetable Cultivation	
Allocation (Rs. Mn.)	0.803400	Expenditurte (Rs. Mn.)	0.65131803
Objective	Increasing production by increasing the productivity of vegetable cultivation		
Activities mentioned in Action Plan	Targtes to be Achieved	Physical Progress Achieved	
1. Alkyd tube 2 " & 200 '(60m) - 50 rolls	50	50	
2. 2" Electric Water Pumps - 08	08	08	
Area where the development programme was carried out	Lumana		
No. of beneficiaries	50		
Training programmes conducted	01		
Development programme	Improving the productivity of vegetable cultivation		
No. of field observations	70		
Officer who conducted Field observations	Agriculture Insructor, Lunama		
02 field observation images			

Entrepreneurship Agro Export Village Programme - Second Phase - Aluthgama, Nawalapitiya

Allocation (Rs. Mn.)	9.34	Expenditurte (Rs. Mn.)	7.9026
Objective			
Activities mentioned in Action Plan	Targtes to be Achieved	Physical Progress Achieved	
1. Providing 60 drip irrigation kits, 60 no.s of 500 L and 1500 L tanks with 70% government contribution.	8.16 100%	7.0416 100%	
2. Free provision of digital scales.	0.2 100%	0.167 100%	
3. Providing dryers free of charge.	0.5 100%	0.252 100%	
4. Conducting training programs / field visits and operational evaluations.	0.25 100%	0.25 100%	
Area where the development programme was carried out (District / Grama Niladhari Division)	Nawalapitiya Aluthgama in the Kandy District.		
No. of beneficiaries	Beneficiaries 60 . Indirect Beneficiaries - Around 600		
Number of training programmes, field observations conducted	Training Programmes - 08, Field Observations - 03		

Performance of Incomplete Work on the landscaping Project of the Ministry Premises of Agriculture

Allocation (Rs. Mn.)	1.09	Expenditure (Rs. Mn.)	1.0817
Activities mentioned in Action Plan		Targets to be Achieved	Physical Progress Achieved
1. Purchase of agro chemicals, fertilizers and essential materials for crop maintenance.	0.16	100%	0.1597 100%
2. Installation of aluminum chairs, benches and tables near the Hela Bojun Hala and at the driver's lounge.		0.35 100%	0.349 100%
3. Construction of stairs and footpaths where required.		0.12 100%	0.116 100%
4. Preparation of two wall designs.		0.20 100%	0.199 100%
5. Construction of an arch at the entrance of Hela Bojun Hala.		0.21 100%	0.208 100%
6. Purchase of required materials (wire, polythene, iron nails, parts required for piping system)		0.05 100%	0.05 100%
Area where the development programme was carried out (District / Grama Niladhari Division)	Premises of the Ministry of Agriculture		
No. of beneficiaries	Beneficiaries - around 2000		

5. Improving the Human Resource Skills of the Field Officers in the Agriculture Sector

The trainers' training programme has been implemented to enhance the human resource skills of the field officers of the agriculture division under the District Directors of Agriculture and to access the agricultural technology to the rural community.

Allocation (Rs.)	12,000,000.00	Expenditure (Rs.)	10,702,355.46
Activities mentioned in Action Plan		Targets to be Achieved	Physical Progress Achieved
- Improving the skills of field officers		25	22
Area where the development programme was carried out (District / Grama Niladhari Division)	This programme has been carried out in all the districts except Batticaloa, Mullaitivu and Moneragala.		

6. Facilitating New Agro-Technological Innovations for Young Entrepreneurs

Vote - 118-02-03-062-2509

Project to Empower Inventors into Successful Entrepreneurs with the Support of Various Stakeholders

This project can be described as a milestone in looking at agriculture in a new sight. It is a project implemented in collaboration with various institutions and various stakeholders to involve with the introduction of innovations through the successful use of new designs or existing technologies as an alternative application to find answers to agricultural issues within agriculture itself and to further technologically strengthen and generating marketing paths on that designs.

Different stakeholders to support

- Inventors Commission of Sri Lanka
- Universities of Sri Lanka - Faculty of Veterinary Medicine and Zoology, Peradeniya
- Farm Machinery Research Center
- National Institute of Post Harvest Technology
- Cinnamon Research and Training Center
- Sri Lanka Institute of Nanotechnology
- Department of Agriculture
- National Engineering Research Center
- Institute of Industrial Technology

Objective

Creating a practical approach that benefits both parties through creating a local market for the inventor and providing new solutions to the issues in the agricultural sector.

Financial Progress

Details	Allocation Rs. Mn	Expenditure Rs. Mn
Project to Empower Inventors into Successful Entrepreneurs with the Support of Various Stakeholders	9.00	1.673633

Physical Progress

Activities (According to Action Plan)	Physical Targets Achieved	Physical Progress Achieved
1. Preliminary evaluation of applications submitted by inventors (I and II)	Preliminary Evaluation I	Progress – 100% Preliminary evaluation and criteria development for 220 applications has been completed

Activities (According to Action Plan)	Physical Targets Achieved	Physical Progress Achieved
2. Committee Member Awareness Programme	Awareness of all parties	Progress – 100% All committee members have been informed.
3. Interviews on applications of selected inventors in relevant fields	To select 150 new innovators	Progress – 100% The interview has been completed
4. Introducing Inventors to Private Companies.	Conducting 2 quarterly forums with 125 selected innovators, both private and public institutions	The Investors' Forum for 45 selected innovators was held at the Plant Genetic Resources Center, Gannoruwa. Launching their inventions and awarding certificates to encourage inventors have been completed there.
5. Directing selected innovators to the private sector for financial assistance	Directing the selected innovators on the recommendation of the expert committee to the institutes for development activities	The Investors' Forum for 45 selected innovators was held at the Plant Genetic Resources Center, Gannoruwa. Launching their inventions and awarding certificates to encourage inventors have been completed there.
6. Directing selected innovators to a foreign funded project for financial assistance	Successful Innovators - 20	Progress – 80% 11 new inventions from 7 inventors have been submitted to SAAPP for funding purposes.
7. Development of selected innovators as recommended by the expert committee	Around 20 successful inventors in 5 relevant fields	Progress – 100% The products of 20 successful innovators have been submitted to the following agencies for development work. * Farm Machinery Research Centers - 18 * Department of Agriculture - 03 Sri Lanka Institute of Nanotechnology - 01 * Faculty of Veterinary Medicine and Zoology, Peradeniya - 01 * National Institute of Post Harvest Technology - 05 * Cinnamon Research and Training Center - 01 * Inventors Commission – 02
8. Field demonstrations and training programmes	Conducting training programmes for 125 selected innovators.	Progress – 100% Training Programmes - 22 Field Demonstrations - 16 (Under Zoom Technology)

Activities (According to Action Plan)	Physical Targets Achieved	Physical Progress Achieved
9. Conducting media programmes to introduce the inventions of selected inventors to the local public investors.	Agricultural Exhibition of 125 designs with 55 entrepreneurs on agriculture related issues	Progress – 100% Four media coverage programs were conducted on 42 innovations of 31 innovators in Peradeniya, Kandy, Gampaha, Batticaloa, Anuradhapura, Badulla, Ratnapura, Malabe, Kelaniya, Kegalle, Ampara, Matale, Galle and Matara.
10. Review the progress of the innovators engaging with the expert committee	Conducting progress reviews with 3 representatives of expert committees in relevant fields	Progress – 100% Annual Progress Review Meeting was held at Hector Kobbekaduwa Agrarian Research Institute.
11. Examine the innovators with the recommendations of the relevant expert committee	Number of tests recommended by the committee	Progress – 50% 31 inventions from 12 inventors have been submitted to ITI for testing. 02 inventions were submitted to the Arthur C. Clark Institute and 03 were submitted to the Department of Agriculture.
Area where the development programme was carried out (District / Grama Niladhari Division)	Islandwide	
No. of beneficiaries	125	
No. of workshops and field observations	Training Workshops - 22 Field Demonstrations - 16	

Field Observations

1) Products made from green grams



Participating Officer - K. A. R. Dharmasena (Director - Policy and Project Evaluation)

Observations - Products made from green grams

Area - Galle Athiligoda

Date - 04.08.2021

7. Monitoring and Evaluation of Development Programmes and Projects -

Vote - 118-02-03-062-2509

Objective - To monitor the effectiveness of the development programmes implemented by the Ministry of Agriculture and to achieve high productivity by managing those programmes efficiently.

Financial Progress

Details	Allcations (Rs. Mn.)	Expenditure (Rs. Mn.)
Monitoring and Evaluation of Agricultural Projects	4.00	1.18

Physical Progress

Activities (According to Action Plan)	Physical Targets Achieved	Physical Progress Achieved
Conducting field supervision at the district level by the officers of the Ministry	Field Visits - 50	Progress - 38% 19 field visits has completed
Conducting District Progress Review Meetings	progress review meetings	This activity could not be carried out during the year, due to the Covid 19 epidemic
District Agriculture Committee Meeting	Conducting 25 monthly District Agriculture Committee meetings	Progress - 37% 113 meetings were held DACs in many districts have been carried out through zoom technology, due to the Covid 19 epidemic..
Supervision of agricultural development projects by the Agricultural Development Officers in the districts	All projects carried out at the district level	Progress - 70% 30 active projects have been completed in Anuradhapura, Hambantota, Kurunegala, Badulla, Matara, Gampaha, Puttalam, Vavuniya, Kandy, Moneragala, Ratnapura and Kegalle Districts, through Small Scale Participation Programme, under the Foreign Aid Projects.
Expert Committee Meetings on Sustainable Agriculture	Meetings - 04	Progress - 75% 03 meetings have conducted
Area where the development programme was carried out (District / Grama Niladhari Division)	Islandwide	
No. of training programmes and field observations	Field Demonstrations - 19	

Projects implemented on Foreign Aids

Agriculture Sector Modernization Project (ASMP)

Introduction

The project has been approved by the world Bank on 29th June 2016 and will be financed by the International Development Association (IDA). The project is mainly focused on supporting the structural transformation of the economy and improving livelihoods. Among them,

- (a) Enhancing agricultural productivity and competitiveness to strengthen connection between rural and urban areas and to facilitate the structural transformation of the economic development of Sri Lanka;
- (b) Providing market access for the poor and vulnerable people through rural livelihood development and improvement of employment opportunities and value added in agriculture, and thereby improving income streams and livelihood security in backward rural areas; and
- (c) Contributing towards the disaster management such as floods and droughts by providing innovative agricultural access to the people in climate prone areas; Diversification, value addition and increased competitiveness of the agricultural sector are implemented by the project.

The development objectives of the Agriculture Sector Modernization Project for Sri Lanka are to enhance agricultural productivity, improve market access and assist small business owners and agribusinesses in the project areas.

Vision

A vibrant, dynamic, and productive agriculture sector for food security and national prosperity through modernization

Mission

To achieve globally competitive production, processing and marketing enterprises through socially acceptable, innovative, market-oriented and state of the art agriculture, through sustainable management of natural resources in the project areas

Objectives

1. To produce competitive and marketable commodities using Modern Technology Methods (Productivity Enhancement)
2. Improve their abilities to respond to better market opportunities (Product & Market Diversification)
3. Move towards agriculture commercialization (Agriculture as a Business)

Project Details

Project Implementation Starting Date	24.07.2017						
Expected Effectiveness Date	31-Dec-2021						
Operational Starting Date	22 nd March 2017						
Monitoring Starting date	July 2017						
Project Extension	End June 2023						
Funding Source	Agriculture Sector Modernization Project International Development Agency- Project cr. Number: 5873 - LK)						
Bank Financing to MOA	US\$ Million 64.23, LKR Million 9374.37 (Currency Unit = Sri Lankan Rupee (LKR) LKR 145.95 = US\$ 1)						
Practice Area (Lead)	Agriculture						
Responsible Agency	Ministry of Agriculture						
Target Area	Provincial Councils of Northern - Jaffna, Mullaitivu, Eastern - Batticaloa North Central - Anuradhapura, Polonnaruwa Central - Matale Uva - Monaragala						
Beneficiaries	Farmer producer organizations, small holder farm households and other farm households, Ministry of Agriculture (MOA), Five respective Provincial Ministries of Agriculture. Indirect: Commercial Banks						
Components	<table border="1"> <thead> <tr> <th>Component Name</th> <th>Cost (USD Millions)</th> </tr> </thead> <tbody> <tr> <td>2. Productivity Enhancement and diversification Demonstration</td> <td>57.73</td> </tr> <tr> <td>3. Project Management Monitoring and Evaluation</td> <td>6.5</td> </tr> </tbody> </table>	Component Name	Cost (USD Millions)	2. Productivity Enhancement and diversification Demonstration	57.73	3. Project Management Monitoring and Evaluation	6.5
Component Name	Cost (USD Millions)						
2. Productivity Enhancement and diversification Demonstration	57.73						
3. Project Management Monitoring and Evaluation	6.5						
<p>Component 2 comprises the following sub-components and activities.</p> <p>a). 2.1: Farmer Training and capacity Building - (US\$ 3.20 million)</p> <p>b). 2.2: Agriculture Technology Demonstration park - (US\$ 38.39 million)</p> <p>c). 2.3: Production and Marketing Infrastructure - (US\$15.14 million)</p> <p>d). 2.4: Analytical &Policy Advisory Support - (US\$ 1.00 million)</p>							

Progress as per the Sub Components

Sub Component 2.1 Farmer Training and Capacity Building		
Fund allocated in 2021: Rs 21.53 Mn	Expenditure Rs. 13.38 Mn	
Activities in Action Plan	Targets	Physical Achievements
Revising the curricular developed for the pilot projects by ISP	Revise the developed pilot project curricular by ISP	Completed. Decided to get the same FBS curricular developed for the pilot projects and add the first three FPO curricular developed for pilot projects to this section

Activities in Action Plan	Targets	Physical Achievements
Advertising of ICT Platform - FBS Training	Hire a service provider to make a ICT platform to deliver the training on individual farmer training	ToR is completed and sent to world Bank (WB)
FBS Training in New & Scale up Projects	Complete the FBS training for New &scaleup projects	Training is going on and planned to complete in February 2022. 853 beneficiaries were trained.
Farmer Exposure Visit	Framer exposer visits	Hold due to Covid 19 pandemic
FPO Training in New & Scaleup Projects	FPO training for sustainable farmer organizations	Train the selected Organizations, planned to hire a service provider and ToR to hire a service provider is prepared and sent to WB comments.
Formation & Registration of FPOs for Pilot Projects	20 FPOs from pilot projects	Projects were selected to make Farmer companies and registered. ToR to select a service provider is prepared and sent to WB comments

Sub Component 2.2 Agriculture Technology Demonstration Park		
Fund allocated in 2021: Rs 1815.60 Mn	Expenditure Rs. 1,484.74 Mn	
Activities in Action Plan	Targets	Physical Achievements
Submission and Acceptance of 09 Cluster Development Plan by ISP (CDP)	09 CDPs	Out of 09 CDPs CDP of Banana cluster in Rajanganaya was approved, CDP of Chili cluster in Anuradhapura was received by the reviewing team revision has been doing by ISP. Draft CDP of Guava cluster in Anuradhapura was submitted to PD and it is under the review of relevant project staff. Other 06 CDP has to be submitted.
Establishment of 16 Crop Clusters by ISP in 7 Project Districts	Crop establishment in 16 ISP clusters	Crop establishment of 16 clusters which has been implemented by the International Service Provider (ISP) is started and procurement of inputs is almost completed. Cluster information are mentioned in below.
Continuation of 13 Pilot Projects	Training and farmer exposure visits	Several programmes were hold due to Covid 19 pandemic and others were completed as planned.

Activities in Action Plan	Targets	Physical Achievements
Continuation and Completion of 12 New and Scale up Projects in 7 Project Districts	Training and farmer exposure visits. Inputs distribution.	Several programs were hold due to covid 19 pandemic and others were completed as planned.
Implementation of 12 Pilot Projects in New 5 Districts	12 pilot projects	Almost completed.
Saubagya Programme		
Sub Component 2.3 Marketing and Production Infrastructure		
Fund Allocated in 2021: Rs 180.14 Mn	Expenditure Rs. 126.76 Mn	
Activities	Targets	Physical Achievements
Rehabilitation/upgrading of small-scale irrigation infrastructure and existing water tanks and irrigation systems, production and market access roads and construction of new field access tracks, Village level storage and product handling facilities, including drying platforms and sheds, composting facilities of crop residues, storage facilities and others.		Out of 114 awarded infrastructure activities 14 activities are going on and other 100 activities are completed (from 2018 to 2021)

Sub component 2.4 Analytical and Policy Advisory Support		
Fund Allocated in 2021: Rs 14.5 Mn	Expenditure Rs. 11.50 Mn	
Activities	Targets	Physical Achievements
Award & Facilitate Policy Research in Selected Areas	2 research have to be completed	Out of nine policy research 8 research have been completed and other one is at final stage
Component 3. Project Management Monitoring & Evaluation		
Fund Allocated in 2021: Rs 189.37 Mn	Expenditure Rs. 180.96 Mn	
Total Allocation 2021: Rs. 2221.14 Mn.	Total Expenditure 2021: Rs 1,817.35	
Project Areas (Districts)	Jaffna, Mullaitivu, Anuradhapura, Polonnaruwa, Batticaloa, Monaragala, Matale	

Areas implemented Pilot Projects (2018) Extended Projects, (2019 - 2020) Further Expanded Projects (2021)

Province/ Districts	N0	Name of the DS Division	Name of the Project	Name of GN Divisions
Central Province Mathale	1	Dambulla	Mango	Wewala wewa Welangolla Nikawatawana
	2	Dambulla/ Kimbissa	Onion Seed	Digampatha Siyambalangaswewa, Nagalawewa Audangawa
	3	Galawela, Nauwela, Matale, Dambulla	Vegetable (Hybrid chilli seed)	Palapathwela, Nilkula, Ibbankatuwa, Bambaragaswewa, Moragolla, Thalakiriyagama
Scale-Up Projects	4	Dambulla	Mango (TJC)	Wewala wewa Arawla, Humbasgamuwa, Welangolla
	5	Galawela	Passion fruit	Bambaragaswewa, pattiwela, Alutuhwewa, kospitha, Danduwegolla Beligamuwa
Central Province Matale Scale-Up Projects 2021	6	Dambulla/ Kimbissa	Onion Seed	Digampatha Siyambalangaswewa, Nagalawewa Audangawa
	7	Galawela, Nauwela, Matale, Dambulla	Vegetable (Hybrid chilli seed)	Palapathwela, Nilkula, Ibbankatuwa, Bambaragaswewa, Moragolla, Thalakiriyagama
Northern Province Jaffna	8	Chavakachcheri	Mango	Meesali, Ketpely, Manthuvil, Kodikaman, Ezhuthumadduva
	9	Chavakachcheri	Green Chilli	Kaithady North Mirusuil, Valalai, Chandrapuram
Mulative	10	Oddusuddan	Ground Nuts	Muthuvinayapuram, Muththaiyankaddukulam, Pandaravnni, Peraru, Thaddayamali, Ganashapiuram, Thanduran, Oddusuddan, Kanakarathnapuram
Scale-up Project 2019 Mullaitivu	11	Oddusuddan	Ground Nuts	Muththaiyankaddukulam, Pandaravnni, Thaddayamali, Ganashapiuram, Thanduran, Oddusuddan, Thanduwan
	12	Thunukkai, Manthai- East	Passion fruit	Therankandal, valanagar, Thirunagar, Mallavi, Ambalapuram, Vannivilankulam (Mankulam)
New Project 2021 Mullaitivu			Dry Chilli production	
			Dry Chilli production	
Uva Province Monaragala	13	Buttala	Passion Fruit	Mahasenpura Waguruwela Palwatte, Horabokka. Udaarawa
	14	Medagama	Pineapple	Medagama Kinnarabowa

Province/ Districts	N0	Name of the DS Division	Name of the Project	Name of GN Divisions
				Pitadeniya Mallagama, Aluthwela, Monarawana
	15	Siyambalanduwa	Mango (TJC)	Madugama, Kodayana, Nugahahakiwela, Karabagoda, Guruhela, Kiwleyaya Mahakalugolla,
Scale-Up projects Monaragala	16	Buttala	Passion Fruit	Waguruwela, Kakuramola, Horabokka, Udaarawa Mahasenpura Pelwatta, Moratugamuwa, Yatiyallathota, Pettagamwela
	17	Madagama	Pineapple	Bandiyawa, Yakunnawa, Pothubandana, Kotabowa
	18	Siyambalanduwa	Mango	Madugama, Kodayana, Suriyatalawa, Kaluobba
New Projects	19	Wellawaya	Moringa	Maha Aragama, Pubuduwewa, Siripuragama, Adawelayaya Wherayaya
	20	Badalkumbura Medagama	Bee keeping	Hingurukaduwa Badalkumbura Senapatiya Potubandana Aiwala Bandiyawa Kotabowa
New Project 2021			Dry chilli production	
Eastern Province Batticaloa	21	Vahari (Koralaipattu North)	Vegetable Production- Green cucumber	Kathiravali, Vahari North & Central, Kirimichchi, Marnkerni South & Central, Palchhani, Ampanthanaveli, Uriyankaddu
	22	Kathiraveli	Ground Nut	Kathiraveli , Puchchakkerni
	23	Kaluthavalai	Green Chili	Kaluthavalai 1,2,3,4 Kaluthavalai -center & South- Santhipuram
2021		Kaluthavali	Dry Chilli	
North Central Province Anuradhapura	25	NPC NPE Rajanganaya R-B Nochchiyagama Talawa Nachchaduwa Galenbidunawewa	Bitter Gourd	Dutuwwa, Halmillakulama, Kurundankulama, Thuruwela, Madawelagama, Pawakkulama, Alwela, Janasirigama, Yaya-06, Randunugama, Rankethgama, Mahakalathawe, Keerikulama, Kawarakulama, Mihiripura, Mahamankadawela, Nabodawewa, Pahalathalawa
	26	Ippalogama Wilachchiya Tirappanea Talawa	Guava	Ippalogama Gonapathirawa, Manawa, Kadiyangalla, Sanguthawewa, Sandamaliya, Thuthpitiya,

Province/ Districts	N0	Name of the DS Division	Name of the Project	Name of GN Divisions
				Selasthimaduwa, Mawathawewa, Thallamaduwa7
	27	Ippalogama	Mushroom	Ippalogama, Kuchchikulama, Ihalakagama, Manawa, Ganthiriyagama, Kudameegagama, Kadiyangalla
	28	NPC NPE Rajanganaya R-B Wilachchiya Nochchiyagama Talawa Nachchaduwa Tirappanea	Chilli	Dutuwewa, Gatalawa, Kokawewa, Thuruwela, Halmilankulama, Oyamaduwa, Alwela, Janasirigama, Aluthdutuwewa, Kawarakkulama, Mahakalathawewa, Yaya 6,7, Kiralapitiya, Athdathkalla, Randuwa, Manaramhandiya, Mahawelachhiya, Sandamaligama, Erankethgama, Mihiripura, Ulukkulama, Illandagaha wewa, Puliyanikulama, Kuttikulama, Katakela, Karagaswewa, Mawethawewa, Nabodawewa
	29	Nachchaduwa Rajanganaya	Mushroom	Hedogama, Diulwawa, Thuruwila, Mahanelbewa yaya 3, 4, Kaluarachchigama, Angamuwa
New Projects -	30	Welachchiya, NPC, Nochchiyagama	Aloe Vera	Oyamaduwa, Kukulkatuwa, Andarawewa, Maningamuwa
Anuradhapura	31	Welachchiya, NPC, Nochchiyagama	Moringa	Pemaduwa, Oyamaduwa, Elayapatuwa, Andarawewa, Athdathkalla, Ulukkulama, Helmadagaswewa
Polonnaruwa	32	Elahara	Papaya (Raw)	Kirioya Elahara Atharagallawewa Dhamanayaya Bakamuna
	33	Elahera Medirigiriya Higurakgoda Thamannaduwa Lankapura	Chili	Elahera, Atheragallewa, Kottapitiya south, Damanayaya, Bubula, Nikapitiya, Yatigalpottha, Rajaela, Mahasengama, Rotawewa, Meegaswewa, Damsopura, Thalakolawewa, Mahaambagaswewa, Kalingaela, Lakxauyana, Damana gamunupura, Galthambarawa, Senanayakapura, Sangabodigama, Mahindagama
	34	Thamankaduwa Dimbulgala Higurakgoda Medirigiriya Elahara	Bitter Gourd	Damanayaya, Kirioya, Nikapitiya, Bubula, Sarubima, Galoya, Rotuwewa, Mahasenpura, Nagarapura, Wijayapura, Palugasdamana, Laxauyana, Damanagamunupura, Kalingaela

Province/ Districts	N0	Name of the DS Division	Name of the Project	Name of GN Divisions
	35	Dimbulagala	Mushroom	Wheragama, Sinhapura, Manampitiya, Weheragama east, Dalukanna
New Projects - Polonnaruwa	36	Dimbulagala , Welikanda	Aloe Vera	Mahawewa, SWeheragama, Nawamillana, Bogaswewa, Nawagahaela
Scale Up - Polonnaruwa	37	Elahera	Papaya (Raw)	Kirioya Elahara, Atharagallawewa, Dhamanayaya, Kottapitiya South, Gangeyaya
Total				
Number of Beneficiaries		6483 (Pilot projects and ISP clusters from the beginning)		
Number of Training Programmes and Site Inspections		395 training sessions were conducted and site inspections were carried out regularly despite the prevailing Covid epidemic.		

Small Banana Production Cluster Village (ISP), Anuradhapura

Officers participated in field inspection :

Project Director, World Bank Country Manager and Country Director, Agriculture Scientist -North
Central Province



**Clusters which has been establishing by International Service Provider
(ISP) and Progress**

District	Cluster Name	Physical Progress
Jaffna	Potato and Red Onion Production	Initially started with 100 beneficiaries with 50 Ac. Procurement of inputs is completed and planting of potato was commenced on 19 th December 2021 and it has been going on.
	Small Banana Production Cluster	Preharvest technology package was introduced in December 1st week for 50 farmers. New plantation was established in one Ac plot with one farmer and it will be continued with 50 Farmers. Procurement of inputs was completed and irrigation systems to be supplied.
Mullaitivu	Pomegranate Production Cluster Intercropping with Dry Chilli	50 Farmers were selected. One Demonstration plot was established with new Variety; "BAGAWAN" and it will be continued with 50 Farmers. Procurement of inputs was completed. Chilli intercrop will be started in January 2022.
	Kolikuttu Banana Production Cluster Intercropping with Dry Chilli	Selection of 100 Farmers with 50Ac, completed. New plantation was established in 1/2 AC plot with one farmer and it will be continued with 100 Farmers. Procurement of inputs was completed.
Monaragala	Cavendish Banana Production Cluster Intercropping with Dry Chilli	Selection of 500 Farmers is ongoing. One demonstration plot was established and Procurement of inputs is on going.
	Mango Production Cluster Intercrop with Dry Chilli	Selection of 200 Farmers is ongoing. One demonstration plot was established and Procurement of inputs is on going.
	MD2 Pineapple Production Cluster	1 ha trial plot was planned and 1000 Sample suckers will be received in early January 2022.
Batticaloa	Pomegranate Production Cluster Intercrop with Dry Chilli	Beneficiary selection was completed and land preparation is in progress and planting in 4.5 Ac was completed

District	Cluster Name	Physical Progress
Anuradhapura	Small Bana Production Cluster	Procurement of inputs was completed. Pre harvest technology was introduced for quality bunches for export with 147 Ac out of 948 Ac Fruit covering for quality improvement was done for 41075 bunches. 22000kgs sold through the processing center. 50 banana nurseries were already established. 11068Kg Exported 1kg 2.01USD
	Dry Chilli Production Cluster	Procurement of inputs was Completed. First cultivation was started in May 2021 with 100 farmers with partial technology and Harvesting is in progress. Planting will be stated in January 2022 with 300 farmers 150 Ac. Land preparation is in progress
	Guava Production Cluster	82500 fruit covering bags were distributed among 45 farmers. 1000 garbage bags were procured. 1/2AC Demonstration plot was initiated and it will be continued with 50 new farmers. Procurement is in Progress
Polonnaruwa	Dry Chilli Production cluster	Procurement was Completed. First cultivation was started in May 2021 with 87 farmers with partial technology and harvesting in progress. Planting will be stated in January 2022 with 300 farmers 150Ac. Land preparation is in progress
Matale	Mango Production Cluster Intercropping with Big Onion	18200 plants issued for 65farmers and planting is in progress
	Guava Production Cluster	1/2AC Demonstration plot was initiated and it will be continued with 50 new farmers. Farmer selection is in progress
	MD2 Pineapple Production Cluster	1 ha trial plot was planned and 1000 Sample suckers will be received in early January 2022.

Progress of Saubagya Programme

	Crop	Allocation Rs. Mn	Financial Progress		Physical progress	
			(Rs. Mn)	%	Description	%
1.	Chilli Production	1021.27	1021.27	100.00	<p>10 poly tunnels constructed under pilot projects in Matale district, 2nd crop has already been started to produce hybrid seeds. Upto now 150 kg seeds were harvested. Construction of 10 new poly tunnels were complete and handed over to farmers. Planting under new poly tunnels is nearly to complete. Make necessary arrangements to produce chili in 1600 Ac, 3500 beneficiaries were joining. Out of 1600 Ac, 117Ac (234 beneficiaries) were cultivated and harvesting is doing. To cultivate another 810Ac (1682 beneficiaries) land preparation has been doing.</p> <p>Harvesting of cultivated land of 450 Ac (900 beneficiaries) in new districts can be done in April 2022.</p> <p>Land preparation of chili intercropping under fruit crop has been doing in 200 Ac (918 beneficiaries) Production of dry chili is 12800 MT and average yield is 8000kg/ac. Production amount is 21.2% of national requirement. Total project contribution is Rs 1021.27 Mn.</p>	100
2	Maize Seed Production	33.91	34.49	101.71	<p>Cultivation was started in 100 Ac using mother seeds bought from DOA. Harvested was completed with getting 40000 kg seeds. 28 samples were taken from farmers and 3 samples were passed. Moisture level is higher in other samples. As to purchase the quality sample from farmers, there is no protocol in DOA, they promised to introduce private sector for purchasing.</p>	100
3	Ground Nut Production	20.18	3.74	18.53	<p>Cultivation is started in 613 Ac. Due to bad weather condition in past few months part of the crop has been damaged and remaining was harvested.</p>	60

	Crop	Allocation Rs. Mn	Financial Progress		Physical progress	
			(Rs. Mn)	%	Description	%
4	Big Onion Production	55.8	51.55	92.38	Production of true seeds was started using 15 units constructed under pilot projects. Construction of new 35 stores were completed and 26 were handed over to farmers. Other 09 has to be handed over after completing final payment to contractor. It can be stored 2500 kg onion bulbs in one store.	95
5	Red Onion Production	0.75			Procurement is planned to start the cultivation in 2022 Yala season as a rotational crop of Potato Production cluster in Jaffna District.	
6	Potato	105.13	38.8	36.91	In Badulla District as a first phase 40 beneficiaries (30Ac) were produced 288 MT. As a second phase 20 beneficiaries (11.5Ac) were produced 47.2 MT As a third phase, procurement of inputs is done for 120 beneficiaries. In Jaffna, for the commercial cultivation, procurement of inputs is done for 100 beneficiaries (50Ac). Seeds were distributed and planting was commenced in 19 th December 2021.	65
	Total	1237.04	1149.85			92.952

Climate Smart Irrigated Agriculture Project (CSIAP)

Introduction:

Sri Lanka is vulnerable to climate-related natural disasters that have major economic impacts. Long-term, annual losses for housing, infrastructure, agriculture, and relief from natural disasters are estimated at LKR 50 billion (US\$327 million), with the highest annual expected losses from floods, cyclones or high winds, droughts, and landslides. This is equivalent to 0.4 percent of GDP or 2.1 percent of GOSL expenditures. Due to the increased expectation of advancement in the economic development of the country, livelihood development of vulnerable farmers in the high climatic variability prevailing areas is required to promote climate-smart agricultural practices and water technology to increase water productivity, food security, and household economic resilience. Therefore, an adaptation of climate-smart agricultural interventions along with improved irrigation facilities for agriculture production in the tank cascade system is a timely requirement of the country for climate resilience. Therefore, MOA has formulated the Climate Smart Irrigated Agriculture project in collaboration with the World Bank to invest US \$ 125 million to improve the climate resilience of farming communities and productivity of irrigated agriculture in selected climatically vulnerable Hot-Spot Areas in Sri Lanka.

This objective will be achieved through increased adaptation of climate-resilient agricultural practices and technologies, improved agricultural productivity, and increased access to markets in targeted smallholder farming communities. The project will ensure benefits to over 470,000 smallholder farmers, direct benefits to 57,838 Farm families and approximately 375,000 ha croplands in the Hot-Spot areas in 11 administrative districts covering 6 provinces namely Northern Province (Killinochchi & Mullaitivu), Eastern Province (Trincomalee, Batticaloa & Ampara), Northcentral province (Anuradhapura & Polonnaruwa), North-western (Kurunegala and Puttalam), southern province (Hambanthota) and Uva (Monaragala) in the country. These districts have been selected based on the severity of the climatic variability in the vulnerable hot spot areas through a rigorous data-based approach, which was a collaborative exercise carried out by the World Food Program (WFP), the International Water Management Institute (IWMI), and the Department of Agrarian Development.

Vision: Improved access to reliable irrigation water supply and better water management technology for improved water productivity through adoption of climate-smart agricultural practices

Mission: Ensure irrigation for agriculture production by rehabilitation of tank cascades and adoption of climate-smart practices to reduce the impact of high climate variability for agriculture production in the hotspot areas.

Objectives: Improve the productivity and climate resilience of smallholder agriculture in selected hot spot areas

Details of the Project

Project Details	
Date of Project Implementation	June 2019
Expected Period	Six years (June 2019 to June 2026)
Date of Commencement of Operation	June 2019
Project Extension	Not Applicable
Source of Financial Supply	IBRD/IDA – the World Bank GOSL and Beneficiary
Bank Financial Supplies to the Ministry of Agriculture	Allocated US 15 MN for CERC activities related to COVID
Relevant Field	Climate resilience and water productivity improvement
Responsible Institution	Executed by Ministry of Agriculture Implemented by Provincial Councils (Provincial Agriculture Department, Provincial Irrigation Department, Provincial Department of Road Development), District Secretaries of 11 Districts, Divisional Secretaries

Components	
Main Components	Cost by Component (Revised)
1. Agriculture Production and Marketing	USD 31.3 Mn
2. Water for Agriculture	USD 73 Mn
3. Project Management	USD 5.7 Mn
4. Contingent Emergency Response	USD 15 Mn

Progress according to the Main Component

Component - 1 : Agriculture Production and Marketing			
Allocation (Rs. Mn.)	1144	Expenditure (Rs. Mn.)	551 (48.2%)
Objectives: Improve agriculture productivity and diversification through the adoption of climate-smart agriculture practices and improved on-farm water management			
Activities mentioned in the Action Plan		Targets to be Achieved	Physical Progress Achieved
1. Agriculture Production and Marketing			
1.1 Climate-smart agriculture technology, practices and water technology			
- Conducting training on CSA and agriculture technology for AIs		1000 AIs	
- Conducting training on CSA and agric. technology for project beneficiaries		11335 farmers	14,064 farmers
- Trained project beneficiaries on CSA in Thirappanae Farm Filed School		39 programmes	Construction works of school continue
- Exposure visits for beneficiaries		49 programmes	6 programmes
- Establishment of model villages and demonstration plots		94 plots	15 plots
- Establishment of cluster villages		33 villages 264 ha	321 ha
- Yala programme under CSA practices		1857 ha	1194 ha
- Midseason programme under CSA practices		1695 ha	721 ha
- Maha seasonal programme under CSA practice		1298 ha – paddy 3113 ha OFC	5519 ha of paddy and OFC planted
- Home Garden development		153.5 ha	535 nos identified
- Compost production programme		19392 farmers	34.5 MT of solid fertilizer & 24787 liters of liquid fertilizer produced

1.2 Supporting the uptake of CSA practices by establishing Producer Groups (PG)	297 nos 47 nos	120 nos were established and 65 were registered Formation started with 262 farmers
1.2.1. Establish producer societies		
1.2.2. Establish producer associations		
1.3 Develop ASC as one stop service centers		
1.3.1 Improvements to existing buildings	33 nos	37 completed, 9 in progress. 1 to be awarded
1.3.2 Supply of farm machinaries – 47 ASC	568 units	95 seeders distributed among 47 ASCs
1.3.3 Provide soil testing kits for ASCs	100 kits	100 kits distributed among AIs
1.3.4 Rehabilitation of agriculture roads	46 km	Estimated prepared for 82 roads, 20 roads awarded and work started with 14 roads
1.3.5 Construction of individual grain storages	93	130 identified and estimates completed for 22 and contract awarded, 3 completed
1.3.6 Construction of medium grain stores	2	Works started in 1 store in NCP 40% completed
1.3.7 Rehabilitation of existing agro-wells	184	430 identified, works started in 336, completed 124

Component - 2 : Water for Agriculture			
Allocation (Rs. Mn.)	1767.5	Expenditure (Rs. Mn.)	553 (31.3%)
Objectives: Facilitate a) planning for water and other infrastructures necessary to support climate resilient irrigated agriculture, b) Contribution of the planned infrastructure, and c) Co-management of the infrastructure supported under the project by central, Provincial, and local communities			
Activities mentioned in the Action Plan	Targets to be Achieved	Physical Progress Achieved	
2.1 Rehabilitation of irrigation systems			
2.1.1 Completion of balance work of Hotspot Area Agriculture Development Plans (HSAADP)	47 plans	100% completed	
2. 1.2 Hydrological studies (phase 1 and ii)	8 basins	100% completed	
2.1.3 Engineering survey phase i	182 tanks	100% completed	
2.1.4 Engineering survey phase ii	677 tanks	Awarded for 779 tanks and 619 tanks completed (74% completed)	
2.2 Tank rehabilitation	268 tanks		
2.2.1 Preparation of designs and estimates	268 tanks	-Design completed for 241 tanks and estimates completed for 232 tanks	
2.2.2 Preparation of bid documents	268 tanks		
2.2.3 Calling tenders	268 tanks	-Bid documents ready for 96 tanks	
2.2.4 awarding	268 tanks	-Bid called for 96 tanks	
2.2.5 Rehabilitation of tanks – civil works	268 tanks		
2.2 Operation and maintenance of irrigation system		-48 tanks awarded -Construction started in 48 tanks and 24 tanks completed	
2.2.1 Establishment of Social Audit Committee and Capacity Building	166 nos	102 formed with 728 members	
2.2.2 Establishment of Cascade Management Committees and trained them	27 nos	4 established with 288 members	

Component - 3 : Project Management			
Allocation (Rs. Mn.)	298.5	Expenditure (Rs. Mn.)	272.6 (91.3%) Incur cost of salaries, incremental operation cost, procurement of office equipment, vehicle hiring and building hiring)
3.1 Conduct Information Education Communication (IEC) campaigns		300 programmes	355 programmes conducted for 12654 people participated
3.2 Reparation of Provincial & National Annual Work Plans & Progress Reporting		24	24 prepared and submitted
3.3 Establishment of Grievance handling mechanism		11	Mechanism established and issues redressed
3.4 Mid-term review assessment		1	Contract awarded and carried out by the consultant



Turmeric cultivation by adopting CSA practices -Neluwagala -Wellaway



Mango cultivation by adopting CSA practices -Buttala



Groundnut seed production under the CVDP in Kilinochchi District - Akkarayan

Smallholder Agribusiness Partnership Programme (SAPP)

Introduction: The SAPP is funded by International Fund for Agriculture Development (IFAD) and Government of Sri Lanka (GOSL) jointly. This programme support to strengthen selected value chain of agricultural commodities through 4P approach (Public Private Producer Partnership) providing grants and credit at subsidized interest rate to stake holders (private companies and farmer organizations and smallholder farmers) to improve their capacity and create commercial partnership and market linkages for assured market.

Further the SAPP assist to small holder farmers to strengthen their farmer organizations providing training and technical know-how and improving infrastructure structure facilities such agriculture roads, anicut etc. and enabling favorable policy environment.

Goal: Contributing to Smallholders' poverty reduction and competitiveness

Objective: Sustainably increase the income (by 20%-30%) and quality of diet of smallholder (57,000 households) involved in commercially- oriented production and marketing systems

Targets:

1. Improved access of smallholder farmers and their organizations to markets in partnership with the private sector
2. Improved access of smallholder farmers under SAPP to rural financial services in a sustainable manner and at affordable rates
3. Improved policy environment for equitable and sustainable smallholder farmer-sourced agribusiness development

Project Details

Date of Project Implementation	26 th June 2017	
Expected Project Duration	06 years	
Date of Commencement of Operation	26 th June 2017	
Extension of Project Period	-	
Financing Source (Foreign Funds)	International Fund for Agricultural Development (IFAD) (USD 54.4 Mn)	
Financing Source (Counter Part Fund)	Treasury GoSL (USD 19.3 Mn)	Consolidated Fund (for Tax and seconded staff salary)
		Revolving Fund (for Credit)
Relevant Sector	Agriculture Development	
Responsible Institute	Project Management Unit - SAPP under MOA	

Components

Main Components	Project Cost by Component (LKR Mn)	Cost by Component (LKR Mn) 2021
1. Access to Commercial Partnership	5,966	848.5
2. Access to Rural Finance	5,086	1,100.0
3. Programme Management and Policy Dialogue	1,004	144.6
Total Cost (IFAD + GoSL)	12,056	2100.0

Progress as per Main Components

Component 01 : Access to Commercial Partnership

Component	01. Access to Commercial Partnership		
	This component includes two sub-components: (1.1) Establishing 4Ps; and (1.2) Institutional strengthening and capacity building of producer groups (within a market-driven model). It is expected to reach directly 43,000 households 4P schemes and institutional strengthening interventions by end of project. A further 2,500 young women and men will be supported to become entrepreneurs responding to demand for products or services generated by the 4Ps. during whole project period		
Allocation (LKR Mn)	848.5	Expenditure (LKR Mn)	523.3
Objective: Improved access of smallholder farmers and their organizations to markets in partnership with the private sector			
Activity	Unit	Target	Achieved
1. Matching Grants & Start-up Funds for on farm development		5,647	9,746
1.1 Providing matching grants for individual-financed private sector-led new Public-Private-Producer-partnerships (4Ps). SAPP has 15 private sector led 4Ps		2,926	2,086
1.2 Providing matching grants for Scale-up individual NADeP 4Ps(National Agribusiness Development Programme-(NADeP) was implemented before the SAPP with IFAD funding. The NADeP has established 17 private-sector led 4Ps. SAPP has selected 4 such partnerships to scale-up and as mentioned above, the individual buy-back agreements have been signed with selected farmers by the companies	No. of beneficiaries	350	287
1.3 Providing start-up funds for Farmer Organizations (FOs) Under this activity, FO acts as the promoter and takes the overall responsibility to implement the project activities where an agreement should be signed with farmers to purchase their yield. Then, FO will do the value addition or sell the total yield to a private sector buyer. Members of the FO i.e. beneficiaries will receive the income through FO and FO also receive a profit share for its coordination, operations and maintenance. Currently, SAPP has 15 such partnerships with FOs.)		2,371	7,391
2. Development of off-farm facilities Other than the supporting to the smallholder farmers for on-farm development activities, the SAPP supports	No. of projects	28	Ongoing 16

for off-farm development activities such as renovation/construction of agri-roads, field cannels and other rural agriculture related activities.)			
3. Start-up Funds support for farmer producer organizations	No. of FPOs supported	11	1
4. Provide start-up funds for Youths Under this activity, the SAPP provides grants for youth to become an entrepreneur.	No. of beneficiaries	550	476
Area where development programmes carried out	All Island (The programme activities have scattered throughout the country though special attention and preference have been given through an evaluation/selection process, to low income districts and where agri-production potential is high.)		
No of Beneficiaries -	10,222 (21,541 cumulatively)		
<p>No of beneficiary, represent no of households reach by the project. Only one beneficiary per a household is selected for the program. Youth represent individuals who are under 40 years of age.</p> <p>Projects aim to cater 43,500 households under 4P partnership and 2,500 youth beneficiaries.</p> <p>A total of 39,212 smallholders have partnered to 34 4P projects established to strengthen the their on-farm activities presently and a total of 10,222 households have received the grants during this year reaching the cumulative total of 21,541 households while achieving 47% cumulative progress until now.</p>			
No of Conducted Training Sessions/ Field Visits	<ul style="list-style-type: none"> • 02 Technical assistance for business development and Institutional strengthening of FOPs/ COOPs • 219 were trained under Technical Training & Advisory Services • 16 Exposure visits were completed • 02 Training sessions for Value chain mobilizers/ project mobilisers 		

Field Visits

Granting Milking Machines to the Ruwansiri Dairies Milk Project's Beneficiaries held on 23rd October 2021

Official represented are Mr. Anura (BD Specialist), Mr. Sajith (Project Officer), Mr. Anil (RPC)



Component 02 : Access to Rural Finance

Component	02. Access to Rural Finance This component consists of two sub components: (2.1) Financing of 4Ps; and (2.2) Institutional strengthening for the financial services sector. The component follows the strategies, modes of intervention and investment opportunities that emerge under component 1 (to satisfy the credit requirements of 4Ps and youth entrepreneurs) and aims at facilitating access to rural financial services in a sustainable manner mostly through training and technical assistance.		
Allocation (LKR Mn)	1,100	Expenditure (LKR Mn)	1,018
Aim: Improved access of smallholder farmers under SAPP to rural financial services in a sustainable manner and at affordable rates			
Activity	Unit	Target	Achieved
1. Providing credit to 4P householders and youths using Line of Credit with IFAD Funds	No. of beneficiaries	2,415	2,284
2. Line of Credit with Revolving Funds		2,655	1,888
Area where development programmes carried out			
		All Island (mainly low-income districts where Agri-production potential is high)	
No of Beneficiaries		4,172 (12,302 Cumulatively)	
No of beneficiary, represent no of households reach by the project. Only one beneficiary per a household is selected for the program. Youth represent individuals who are under 40 years of age.			
Under this component loans are provided through 03 categories (i.e., 4P beneficiaries, youth & income generation loans). Overall target for this component is 39,213 beneficiaries. At present 31%, cumulative progress has been achieved. Cumulatively 9,535 4P loans, 1,698 youth loans and 1,048 income generation loans (IG) have been provided.			
No of Training Sessions/ Field Visits conducted	<ul style="list-style-type: none"> 2,500 were trained under Strengthening CBSL/PFI and beneficiaries (Technical Assistance & Financial Literacy Training) 		

Field Visits



"Guruluwana Gamunu Sanasa Society" Credit Disbursement held on 19th December 2021

Official Representatives are Mr. Bandara (Consultant MF), Mr. Nishantha (RPC)

Component 03 : Programme Management and Policy Dialogue

Component	03. Programme Management and Policy Dialogue		
Allocation (LKR Mn)	144.6	Expenditure (LKR Mn)	96.8
Aim: Improved policy environment for equitable and sustainable smallholder farmer-sourced agribusiness development			
Activity	Unit	Target	Achieved
1. Conduct Start-up, Sensitization & Educational workshops (Nos)	No	1	1
2. Conduct Annual Stakeholder planning & review workshops (Nos)	No	1	1
3. Annual Business Forums (Nos)	No	1	
4. Conduct Baseline, Annual outcome and Impact surveys / PCR (Nos)			
4.1 Baseline Surveys	No	20	8
4.2 Targeting Surveys	No	10	10
5. Conduct Agriculture related technical studies	No	1	
6. Information & communication materials	No	7	7
7. Training Manuals	No	3	1
8. Develop Environment/Climate Change Manuals	No	1	1
9. Stakeholder Meetings	No	2	3
10. Research studies on policy issues	No	2	-
** Further, this component is used for paying of staff salaries, consultancy services expenditure, office maintenance and operation expenses.			
Area where development programmes carried out		All Island	
No of Training Sessions/ Field Visits conducted	02 Training programs on M & E and Data collection for value chain mobilizers 07 training program on Nutrition for 4P beneficiaries 14 Training program on Gender for 4P beneficiaries		

Field Visits

Training Programme for Anuradhapura V.C.Ms on Gender, Nutrition and Environmental Conservation was successfully held 20th October 2021 at Paniyankadawala of the Miris Project conducted by Mr. Mudalige (Consultant- Nutrition) and Mr. Frank (Consultant -Climate)



Distribution of Beneficiary Targets of the Project (Revised) & Cumulative Achievement

Category	Goal	Cumulative Achievement (Loan/ Grant)
4P Private Led	24,500	7,374
NADEP Scale Up	5,500	5,392
FPO led 4P	13,000	9,548
Total 4P	43,000	22,314
Youth Startups	2,500	1,048
IG Loan	12,000	1,698
Grand Total	57,500	25,060

Distribution of Beneficiary across Two Main Components

Component	Targets	Cumulative Achievements
Access to Commercial Partnership	45,500	21,541
New 4P led by Private companies	24,500	6,746
Scale up NADEP 4Ps	5,500	4,840
FPO led 4P	13,000	9,426
Youth Start up Grants/ Funds	2,500	529
Access to Rural Finance	39,213	12,281
4P	24,713	9,535
NADEP 4Ps/ Income Generation	12,000	1,048
Youth	2,500	1,698

Financial Achievement 2021

	Component	Plan Annual Target	Annual Disbursement	Progress
		(Rs. Mn)	(Rs. Mn)	
Component 1	Access to Commercial Partnership	848.5	523.3	62%
Component 2	Access to Rural Finance	1,107.0	1018.1	92%
Component 3	Programme Management and Policy Support	144.5	97.0	67%
Grant Total	Total	2,100.0	1,638.4	78%

Cumulative Financial Achievement

	Component	Plan Target	Cumulative Disbursed (Rs. Mn)	Progress
		(Rs. Mn)		
Component 1	Access to Commercial Partnership	5,966.0	990.2	17%
Component 2	Access to Rural Finance	5,086.0	2657.4	52%
Component 3	Programme Management and Policy Support	1,004.0	397.4	40%
Grant Total		12,056.0	4,045.0	34%

Project on Development of Mini Dairy Cooperative Societies

With the objective of uplifting the dairy industry in Sri Lanka, the State Ministry of Livestock, Farm Promotion and Dairy and Egg Related Industries is coordinating initiatives for the development of 06 mini milk processing centers with financial assistance from the Government of France. The Ministry of Finance has signed a Financial Protocol Agreement with the Government of France on 27.12.2017 and Financial Agreement on 28.09.2018, for obtaining a loan of Euro 13.9 million, for the development of 06 mini milk processing centers. The Contract Supply Agreement of the project has signed on 27/02/2019. The Ministry of Agriculture, together with the team of Consultants from Government of France were identified the six mini dairies which were expected to develop.

01. Attanagalla Milk Producers Cooperative Society
02. Small Dairy Development Society, Wariyapola
03. Polonnaruwa District Dairy Producers Cooperative society (Pvt) Ltd.
04. Succeed International (Private) Limited, Wennappuwa.
05. Heritage Hela govi Development Society
06. Nawalapitiya Multi purpose cooperative society Ltd

Project Objectives

The main objectives of this project are to produce value added milk products at milk producing regions itself, improve the health status of the children and adults through increased consumption of milk products and promote the National dairy industry in the country.

Project Description	Project on Development of Mini Dairy Cooperative Societies
Project Commencement date	2019.02.17
Expected Project Period	02 Years
Operation Commencement Date	2019.02.17
Project Extension	-
Source of Financial Supply	Government of France, Government of Sri Lanka
Relevant Field	Dairy Development
Responsible Institution	State Ministry of Livestock, Farm Promotion and dairy and Egg Related Industries, BOCCARD SA France, Foresight Engineering (Pvt) Ltd.

Components (Project on Development of Mini Dairy Cooperative Societies)		
Main Components	Cost By Components	
01. Importation of machinery and equipment for the Mini Dairy Processing Plants	There is no separate cost division for these components on the agreement, and the total cost of the project is Euro. 13,899,998.00 / Rs. 2,821,699,594.00.	
02. Installation of machineries & commissioning		
03. Duty and Tax payment for the machinery and equipment		
Component 01	Importation of Machinery and Equipment for the Mini Dairy Processing Plants	
Objective		
Activities as per the Action Plan	Targets to be Achieved	Physical Progress Achieved
01. Wennappuwa Mini Dairy Factory	Importation of required Machinery and Equipment to Sri Lanka	Machinery and Equipment have been imported to Sri Lanka
02. Wariyapola Mini Dairy Factory		
03. Attanagalla Mini Dairy Factory		
04. Polonnaruwa Mini Dairy Factory		
05. Nawalapitiya Mini Dairy Factory		
06. Keppetipola Mini Dairy Factory		Machinery and Equipment are scheduled to be imported to Sri Lanka on January 2022.

Component 02	Installation of Machineries & Commencing Productions	
Objective		
Activities as per the Action Plan	Targets to be achieved	Physical Progress Achieved
01. Wennappuwa Mini Dairy Factory	Installation of machineries & commencing production.	95%
02. Wariyapola Mini Dairy Factory		96%
03. Attanagalla Mini Dairy Factory		96%
04. Polonnaruwa Mini Dairy Factory		95%
05. Nawalapitiya Mini Dairy Factory		Installation of machinery is scheduled to start in January 2022
06. Keppetipola Mini Dairy Factory		
Area where the development programme was carried out (District/ GN Division)	Gampaha, Kaluthara, Puttalama, Kurunegala, Kandy & Polonnaruwa Districts	
Number of Beneficiaries	10,000 beneficiary families	
Number of Training Workshops and Field Observations conducted	01	

Field visit held on 2021.04.07	
Matters observed	Progress on the establishment of mini dairy processing center at Wennappuwa

Field Inspection on 04.07 2021 - Progress and issues related to the Construction of Wennappuwa Small Scale Milk Processing Center,

Director / Department of Project Management and Monitoring, Ministry of Finance, Project Director / Foresight Engineering (Pvt) Ltd PEREZ Jean-Laurent / Site Manager, BOCCARD, AASP Superintendent, Development Officer, State Ministry of Livestock



Establishment of a New Dairy Factory Project, Badalgama

Milco (Private) Ltd is a wholly state owned enterprise, coming under the purview of the Ministry of Agriculture. This state-owned enterprise with four milk processing plants in Narahenpita, Digana, Ambewela and Polonnaruwa, is involved in the procurement, processing and marketing of various dairy products under the local brand name 'Highland' and has become leading brand in the dairy processing sector in Sri Lanka since its inception. The machinery maintained in the four dairy factories owned by Milco Ltd is over 40 years, and it has adversely affected in production efficiency from a long time. In order to resolve this issue and since the Government has decided to utilize the land which established the Milco's factory at Narahenpita for active urban development projects through the Urban Development Authority, therefore it was decided to set up a new milk processing factory in a land acquired from the Siringapatha farm belonging to the National Livestock Development Board, Badalgama.

Objectives of the Project

Through the construction of this factory, it will be possible to process 200,000 liters of fresh milk, processed milk, ultra high temperature milk (UHT), yoghurt, blended yogurt, drinking yogurt and ice cream daily.

Project Details	Construction of Badalgama Dairy Processing Center Project
Project Implementation Starting Date	10.05.2016
Expected Time	3 Years 06 Months
Operational Starting Date	10.05.2016
Project Extension	10.11.2019 – 31.12.2021
Funding Source	Government of Denmark, Government of Sri Lanka HSBC Bank (LONDON)
Relevant Field	Milk and Liquid Dairy Products
Responsible Agency	State Ministry of Livestock, Farm Promotion and Dairy and Egg Related Industries, Milco (Pvt) Ltd, DESMI Contracting A / S Company
Components (Badalgama Project)	
Major Components	Cost per Component
01. Construction of the factory building and other constructions	EURO 38,719,945.00
02. Import of machinery related to the project	EURO 25,215,692.00
03. Taxes related to imports of machinery	Rs. 902,155,553.66

**Improving the testing facilities of the National Plant Quarantine Service
(Modernization of Plant Quarantine Service in Sri Lanka) (KOICA)**

Allocation (Rs. Mn.)	25	Expenditure (Rs. Mn.)	Direct payment is made by the Ministry of Agriculture
Objectives	Improving the Export Competitiveness of Sri Lankan Agricultural Products by Improving Plant Quarantine Capacity		
Actions mentioned in the Action Plan	Targets to be Achieved	Physical Progress	
Geotechnical Investigations Prior to Construction of the National Plant Quarantine Service Building, Seaport New Building	Geotechnical Report	Has been completed	
Demolition of Existing Building	Land for construction of a new building	The demolition of the existing building has been completed and its cost will be included in the UNOPS budget. This payment is not required (First processing fee must be paid when submitting the plan and technical documentation for green building certification)	
Payment for Approval of the Urban Development Authority	Approval of Urban Development Authority for construction of a new building	Payments were made to the Department of Port Conservation and Coastal Resource Management. Received green certificate.	
VAT on Architecture Service	Designing a new building	This payment is not required	
VAT on Purchase of Equipment	New equipment for National Plant Quarantine Services Laboratories	Due to the prevailing situation in the country, the purchase of equipment was delayed. Purchases of equipment will continue in 2022	
Payment of Customs Clearance	New equipment for National Plant Quarantine Services Laboratories		
VAT on Construction	New building for National Plant Quarantine Service Port	Construction will continue in year 2022	
Area Implemented (District / GS Division)	National Plant Quarantine Service, Katunayake		
No. of Beneficiaries	1500		

Procurement of National Quarantine Service and Procurement of Equipment (JICA)

Allocation (Rs. Mn.)	40	Expenditure (Rs. Mn.)	Direct payment is made by the Ministry of Agriculture
Objectives	Improving the Technical Capacity of the National Plant Quarantine Service.		
Actions mentioned in the Action Plan	Targets to be Achieved	Physical Progress	
Preparation of Cost Estimate for 44 Devices	Purchase of 44 Devices	Has been completed	
Appointment of Technical Evaluation Committee			
Posting Advertisements			
Preparation of Bid Document			
Preparation of Specifications			
Technical Evaluation Committee Meetings			
Approval of Tender Document by the Technical Evaluation Committee		Payment vouchers were forwarded to Ministry of Agriculture	
Advertising an Bidding		Has been completed	
Bid Evaluation		Payment vouchers will be sent out on the second week of January 2022.	
Awarding Tender			
Payment			
Area Implemented (District / GS Division)	National Plant Quarantine Service, Katunayake		
No. of Beneficiaries	All plants and plant products importers and exporters of scattered throughout the island		

Other Development Programmes - Granting recommendation for tax concession for importation of agro technological inputs (Agriculture Technology Division)

1. Recommendations on Duty, VAT and CESS concessions are made for importation of agro technological inputs under the relevant Acts.

The progress of making recommendations as at 31.12.2021 is as follows;

i.	Duty recommendations	- 264
ii.	Recommendations on Maize	- 20
iii.	CESS recommendations	- 267
iv.	Recommendation Letters on Fertilizer	- 16
v.	Recommendation Letters for Pesticides	- 04

2. Taking Action in accordance with the Felling of Trees (Control) Act

Felling of Trees (Control) Act No.19 of 1951

It has been decided to implement administrative provisions for to protect jack fruit trees, bread fruit trees and palm trees, in order to fulfill the anticipated objectives under the Felling of Trees (Control) (Amendment) Act, No. 1 of 2000 and the Felling of Trees (Control) Act, No. 09 of 1951. Granting approval for applications and documents submitted to the Ministry of Agriculture in the year 2021 regarding the Tree Controlling Act.

Taking Action on Applications and Other Documents submitted to the Ministry of Agriculture during 2021 with regard to Felling of Trees Act

S/ N	Date	District	DS Division	Reason for Applying	Action taken for the Applications Submitted
01.	05.04.2021	Nuwara Eliya	Abagamuwa	Stand as obstructive manner against power line of 220 W operated from Polpitiya to Hambantota	Have been applied for 40 jack trees and approval has been granted to cut down 40 of them.
02.	22.11.2021	Kegalle	Aranayaka	Stand as obstructive manner against power line of 33 W operated from Molagoda to Gavilipitiya	Have been applied for 19 jack trees and the relevant applications have been forwarded to the Director General of Agriculture.
03.	22.11.2021	Kandy	Kundasale	Stand as obstructive manner against Allotment of Land Project	Have been applied for 35 jack trees and the relevant applications have been forwarded to the Director General of Agriculture.

Applications received will be forwarded to the Department of Agriculture, since the permission of the Director General of Agriculture should be obtained for felling of trees.

Department of Agriculture (DOA)

Vision

Achieve excellence in agriculture for national prosperity.

Mission

Development and dissemination of improved agricultural technology and providing related services to all stakeholders with emphasis on farmers, to achieve an equitable and sustainable agricultural development to ensure food and nutritional security for the nation.

Objectives

- Improving the production potential of food crop cultivation.
- Securing sustainable agriculture.
- Improving labour and land efficiency.
- Empowering all parties engaged in agriculture.
- Developing human resource potential in agriculture.
- Ensuring availability of quality seeds and planting materials for stakeholders.
- Utilizing land and water resources optimally.
- Providing plans, policy decisions and policy guidance.
- Securing quality standards of seeds and planting material as well as agricultural products.
- Taking action to protect native plant species from harmful exotic species.
- Facilitating exportation of healthy plants and plant products in order to increase foreign exchange through agricultural products.
- Taking action to protect the public and the environment from the adverse effects of pesticides.
- Ensuring sustainable utilization of plant genetic resources.

Key Functions

- Generating new varieties and agricultural technologies suitable through researches.
- Disseminating new advanced agricultural technology among the farming community.
- Producing and distributing high quality seeds and planting material.
- Conserving plant genetic resources.
- Implementing Seed Act, Plant Protection Act, Pesticides Control Act and Soil Conservation Act.
- Conducting Diploma Courses of National Vocational Training (NVQ) Level 5 and 6 in Agriculture through agricultural education.
- Conducting training programmes required to develop the skills of farmers and officers.

The summary of the financial progress of the Department of Agriculture and the progress of special projects under the Expenditure Heads of the Ministry of Agriculture (National Food Security Programme), in the year 2021 is as follows.

1. Financial Progress

Table 1: Allocation received to the Department of Agriculture for 2021 and expenditure up to 31st December 2021

Project	Capital		Recurrent	
	Allocation (Rs. Mn.)	Expenditure (Rs. Mn.)	Allocation (Rs. Mn.)	Expenditure (Rs. Mn.)
1. Administration & Establishment Services	507.15	492.79	59.35	48.54
2. Agricultural Research & Development	1,817	1,618.9	337.05	270.16
3. Extension & Training	1,434.05	1,317.56	418.1	284.87
4. Seed Certification & Plant Protection	1,315.49	1,257.56	1,185.6	949.21
Total	5,073.69	4,686.81	2,000.1	1,552.78

Summary of the Progress of the Department of Agriculture

1. Agricultural Research & Development

- Three new rice varieties were released during 2021. Two varieties of them, At 313, Bg 314, are 3 months age class Nadu, and the remaining Bg 375 is 3½ months age class Samba variety.
- It has been observed that the damage caused by Thrips during seedling stage of paddy could be reduced to a considerable level by using immune induce silicon product two weeks after planting of seedlings. The damage caused by brown plant hopper, stem borer, leaf folder and paddy bug at latter stages was also found to be reduced to a considerable level and the study is being continued.
- Mrs. R. M. H. N. Senanayake of the breeding section of the Rice Research and Development Institute won the award for the outstanding country among 7 Asian countries joining the program of salinity resilient breeding pedigree selection which was conducted in 2019, 2020 and 2021 by the Asian Food and Agriculture Corporation.
- Polythene mulching showed better growth and yield performances compared to those with paddy straw mulching and without mulching in both cowpea and mung bean crops.

- Research revealed that any of the legume crops; mung bean, cowpea, groundnut or black gram can be successfully grown with banana crop as an intercrop, especially during the first season, in the Dry Zone of Sri Lanka.
- The special characteristics (absence of hard lumps in the fruit and the taste) of the variety Kolikuttu Banana 'Agra' were not altered in the in-vitro regenerated plants produced using male flowers of the variety.
- Hydro-priming technique was found to be effective in improving the germination, the vigor and the yields of partially deteriorated groundnut.
- Supply of 1/3rd of the basal mineral N fertilizer rate (Urea) with the seed inoculation and the DoA recommended rates of P and K fertilizers reported 13% to 25 % of yield increment compared to that with the DoA recommended rates of N, P and K in the farmers' fields in both Yala and Maha seasons confirming the results reported under the research.
- The hybrid maize varieties; MI Maize HY1 and MI Maize HY2 as well as MI Sweet Sorghum varieties were found to be suitable for animal feed industry with lower costs of production.
- Polymer coated Soybean seeds were found to be effective in minimizing the seed germination losses due the poor drainage conditions, especially during the Maha season.
- Maize crop planted at 45 cm x 30 cm in 4 row strips with a spacing of 90 cm between strips was found to be an effective plant geometry facilitating both chemical application on Fall Army Worm (FAW) and seeding without scarifying yields showing its applicability in controlling FAW in Maize cultivation.
- Application of organic matter in the form of compost (10 t/ha) or compost (10 t/ha) with bio char (10 t/ha) was found to be effective in increasing the big onion yields. Application of paddy straw (5 t/ha) or reflective polythene as mulching materials was highly effective in increasing big onion yields further.
- Application of N-P-K at the rates of 150-46-30 kg/ha respectively and the plant spacing of 45 cm x 30 cm with a single plant per hill was found to be an effective agronomic management package for popcorn cultivation.
- The cost-benefit analysis and percentage yield increment analysis indicated that the management of Fall armyworm using the insecticides could be replaced by the application of high doses of nitrogen fertilizer (> 200 kg/ha) as an integrated pest management approach compensating the yield losses caused by Fall armyworm.
- A field application protocol was developed to control the onion black mold using solid state Trichoderma product.
- Azoxystrobin 60 + Chlorothalonil 500 g/l SL was found to be effective against the anthracnose disease in chill crop.
- Sulphur 80 WDG was reconfirmed to be effective against the Groundnut Rust.
- The 3G solution was effective in controlling the Fall army worm in Maize cultivation applying at the rate of 10 % (v/v) with water. Applying in the evening at the early stages of the larva development gave better results.

- Application of (Moringa Leaf Extract) MLE (100 %) as a foliar spray at the pod set stage was found to be effective in giving higher yields with better pod qualities of chilli.
- Eighteen virulent *Sclerotium* spp isolates were identified as the fungal pathogen associated with Groundnut (*Arachis hypogaea*) stem rot incidence in Northern Province in Sri Lanka.
- A prototype of chilli seed extractor with an input capacity of 30 kg/h was successfully modified.
- Three exotic chilli hybrids giving average green chilli yields of 16 - 20 t/ha were recommended for commercial cultivation.
- The exotic big onion variety ARES showed comparable performances with the locally produced MIBO 1 and Dambulla selection varieties under the rainy conditions in Maha seasons. However, the storability was reported to be lower compared to that of the tested local varieties.
- A small seeded Groundnut variety, suitable for chocolate ball industry, with an average yield of > 2.5 t/ha was released as ANKGN4 for general cultivation.
- A black seeded Sesame variety, showing moderately resistance to stem and root rot disease, with an average yield of around 1 t/ha was released as ANKSE3 for general cultivation.
- A cluster onion variety with an average yield of 20 - 22 t/ha was released as ANKCLO1 for general cultivation.
- A protocol developed using simple sequence repeat (SSR) markers was found to be more reliable and efficient compared to the Grow out test (GOT). This method will be useful in seed certification procedure of chilli hybrids, MICH HY 1 and MICH HY 2. Further, these findings will be useful for breeders and growers to identify the non-hybrid type mixtures in the chilli hybrid seed lots of MICH HY 1 and MICH HY 2.
- Roasting at 180 °C for 15 min was found to be the best method to obtain the higher oil yields with the superior qualities in the oil extraction process of black Sesame.
- The Soybean lines PM 13 and PM 25 were found to be more suitable for soymilk production.
- A biological fungicide has been produced using *Trichoderma* fungus as a biotechnology method for plant pest control in organic farming
- Egg parasitic *Telenomus remus* insects were artificially multiplied and released to agricultural areas of Sri Lanka for control of vegetable caterpillars and army caterpillars.
- Use of special yellow light bulbs at night was introduced for control of vegetable caterpillars.
- Suitable soil treatments were introduced to increase the nutrient management efficiency in organic vegetable cultivation.
- Vegetable varieties suitable for low organic applications were introduced.
- Technologies required for compost production in a short period of time are being developed.
- Laboratory facilities were enhanced up to four times the soil sample analysis capacity of the institute this year (655 samples) compared to last year (163 samples).

- Yellow sap disorder of Mangosteen was found to be reduced by soil application of dolomite with the rate of 15 kg/ plant at flower initiation stage.
- Six promising pineapple hybrids were selected for further evaluation.
- It was found that Annona (Sour sop) can successfully be grafted in to ‘wel Annona’ rootstock under in situ condition.
- Pineapple crown was identified as alternative propagules for commercial cultivation along with foliar fertilizer and the crown size did not affect fruit size & quality. Foliar fertilizer should be sprayed as per DOA recommendation two weeks after planting up to two-month period.
- Planting of vegetable cowpea in between pineapple rows and incorporation of cowpea plants in to soil after the first harvest at 45 days after planting was found as a successful integrated plant nutrient management practice for obtaining quality fruits.
- Research revealed that combination of Gibberellic acid (GA3) and Naphthalene Acetic Acid (NAA) could be used to induce parthenocarpic fruits in Annona muricata (Sour sop).
- Process was initiated to obtain the views of officers with expert knowledge within and outside the Department to improve the quality of agro-met advisory
- Technical assistance was provided to design micro irrigation systems for 5 farms of 10 acres each in the Mahaweli - Walawa Zone.
- Technical assistance was provided to construct poly-tunnels and micro irrigation systems to 60 farmers under the Central Provincial Department of Agriculture.
- Compiled and published a book titled “Code of Soil and Water Conservation Technology”.
- Published a handbook on sustainable water management entitled “Let Us Utilize Water Resources Optimally for Future Generation”.
- During 2021, field data collection for Cost of Cultivation of 2020/21 Maha was partially completed and the field programme was delayed due to COVID 19 outbreak. Primary data collection for 2021 Yala season was planned while the provisional estimates of cost of cultivation of the selected food crops for 2021 were prepared.
- Ten crop forecast reports (five per season) were prepared during 2021, covering latter 2020/21 Maha, 2021 Yala, and early 2021/22 Maha.
- Improvements were done to the ‘Crop Forecast Information System- croplook.net software to ensure efficient flow of data from field level to national level.
- A control panel facility was developed to administrate and monitor the staff entering the data into the system and generation of reports on variety wise vegetable crop production were incorporated. Further, district-wise varietal distribution report for OFCs was included as a new addition.
- AgStat Volume XVIII which contains data for the year 2020 is at the final stage of data compilation and will be available online soon.
- Crop Enterprise Budget – 2020, the publication containing data for Paddy, OFC and Vegetables was printed and published online.

2. Seed Production & Quality Improvement

- Amendments to the Seed Act were submitted to the Ministry of Agriculture through a committee appointed by the Director General of Agriculture.
- A certification system for good agricultural practices (GAP) was developed in accordance with ISO17065 standards.
- During the year, 12,397 tons of seed paddy and 84 tons of vegetable seeds were accepted as per the Seed Certification Service standards.
- 2,024 tons of other field crop seeds (Maize, Green gram, Groundnut, Sesame, Cowpea, Finger millet, Black gram, Horse gram & Soybean) were produced and 87% of them were accepted as per the Seed Certification Service standards.
- 1,159 tons of seed potato of the variety Granola, 46 mt of seed potato grown in protected houses and 3,278,051 No. of basic mini tubers were accepted as per the Seed Certification Service standards.
- 1,212,320 No. of grafted fruit seedlings have been labeled after quality certification and 674 mother plants were certified for the production of grafted fruit seedlings.
- Quality of seeds certified as per Seed Certification Service standards, imported seeds, seed potato and 1,303 seed samples randomly obtained from the market were assured through post control field tests.
- Distinctness, Uniformity & Stability (DUS) testing was conducted for 3 pipeline rice varieties, 27 vegetable varieties, 8 other field crop and 65 fruit varieties to confirm release as a new variety.
- 1,160 of seed handlers were registered and 968 registrations were renewed under the Seed and Planting Material Act No.22 of 2003.
- 635 No. of farms were audited to ensure quality of the farm according to GAP and 561 of them were certified as GAP farms.
- Pest surveillance programs were launched in seven major Districts of Paddy cultivation as a Pilot Project.
- The eco-friendly control system introduced by the Department of Agriculture for Fall army worm in Maize cultivation.
- A new building was constructed at the Bandaranaike International Airport, Katunayake with government funds to extend plant quarantine facilities for a more efficient service.
- A new building was constructed with the assistance of the government of Korea to carry out the quarantine activities of the Colombo Port in a more extensive manner.
- A Plant Quarantine Unit was established at the Colombo Central Mail Exchange to minimize the risk of pests during exchange of plants and plant material through post.
- Successfully completed the bilateral technical program to remove the quarantine ban imposed on Mango and Pineapple crops by the Jordanian Plant Protection Organization.
- Presented research reports on lifting of restrictions on the export of host plants of *Xylella fastidiosa*, a quarantine pathogen for 27 EU countries.
- Additional Director of National Plant Quarantine Service has been elected as a member of the Technical Committee on the Use of Sulfuryl fluoride for the treatment of

packaging of wooden material under International Plant Hygiene Convention No. 15, initiated by the International Plant Protection Organization.

- Standard plant quarantine recommendations were provided for import of essential plant nutrients for organic farming in Sri Lanka.
- Connected with the ASYCUDA system implemented by the Sri Lanka Customs for efficient and transparent operation of plant import and export.
- Established new laboratories for biotechnology analysis through the Biosafety Project (GMO and LMO).
- A total of 246 crop germplasm samples and their wild relatives were collected through field exploration missions and 82 No. of crop varieties have been received from research institutes. In addition, 271 No. of foreign crop germplasms were received.
- A total of 244 newly acquired accessions were conserved in the Gene bank. In addition, 393 multiplied accessions were conserved. A total of 16,497 accessions of crop germplasm are currently conserved at the seed gene bank of the Plant Genetic Resources Centre and 384 of in-vitro samples including sweet potato, potato, Dioscorea, Innala and Banana were conserved.
- For utilization of germplasms, 338 accessions of different crop species were distributed among farmers, research stations, private companies and universities on their request.
- Total of 706 crop germplasm samples were multiplied and submitted for conservation. Conserved accessions of 101 Okra, 77 Yard long bean and 33 Kekiri were characterized using morphological descriptors.
- Molecular characterization of crop wild relatives of selected families and DNA barcoding of unidentified germplasms were completed. Protocols were developed for genetic purity testing of recommended hybrid varieties and molecular and morphological characterization was carried out for 'Heenati' and 'Ma wee' traditional rice varieties and 21 'Hondarawalu' rice accessions were characterized morphologically. 29 other traditional varieties were characterized molecularly towards identification of accessions responsible for resistance to Brown plant hopper.
- Office of Registrar of Pesticides was a Special Winner of the Future policy award 2021 of the National Policy action plan on prevention of suicides.
- About 150,013 bushels of registered seed paddy were produced.
- About 56,552 bushels of certified seed paddy were purchased.
- A total of 185,233 bushels of seed paddy were sold.
- About 1,348 tons of OFC seeds of different seed categories were produced.
- About 92,159 kg of Maize seeds, 248,655 kg of Groundnut seeds, 115,314kg of Soy bean seeds, 401,663 kg of Mung bean seeds, 234,615 kg of Black gram seeds and 85,501 kg of Cowpea seeds were produced and sold.
- About 1,560 kg of basic and 19,300 kg of standard vegetable seeds were produced.
- About 1,079 tons of basic and certified seed potato and 2,477,800 potato mini tubers of the variety Granola were produced.
- About 1,170,397 fruit plants (including 592,687 budded plants) were produced and sold.

3. Extension & Communication

- Under the ‘Saubhagya’ crop development programme,
 - Subsidy for seed materials of Other Field Crops (OFCs) was provided for 328,332 ha throughout the island.
 - Fall Army Worm infestations in Maize cultivations was successfully controlled through island-wide extension camps, media campaigns and establishing a monitoring mechanism with Pheromone traps during 2020/21 Maha season.
 - 3126 No. of Tarpaulins were provided to enhance the quality production and productivity of OFCs, specially Chilli, Black gram, Cowpea, Gingelly etc.
 - Hybrid seed production of Chilli “MICH HY 1 variety was continued under fully mechanized poly tunnels in farmers’ fields.
 - Hybrid maize seed production was also continued in Northern area during 2021.
 - A solar powered electrical device was introduced to repel wild animals from farm fields.
 - A successful third season cultivation of green gram was implemented and it caused reduction of green gram prices in 4th quarter of the year.
- Amidst COVID 19 pandemic situation, two agricultural production promotion programmes were successfully implemented during 2021 Yala and 2020/21 Maha seasons.
- Four programmes on transition of conventional agriculture to organic agriculture were conducted prior to 2021 Yala season for better coordination among provinces, Inter-province areas, Mahaweli zones and other relevant stakeholders. Also ten numbers of TOT training programs were conducted for officers in provincial, inter-provincial and Mahaweli areas to promote organic agriculture.
- An infrastructure development programme was implemented with small scale agro-entrepreneurs on plant nursery management, mushroom production, bee honey production and food processing.
- Construction of two Hela Bojun outlets at religious places are at the final stage, i.e., Aluvihare in Matale and the Jaya Sri Maha Bodhiya (Sacred Bo Tree) in Anuradhapura.
- Recruitment examinations for the National Diploma in Agriculture Production Technology (NVQ-05) were held in Schools of Agriculture at Anuradhapura, Bibila, Wariyapola, Labuduwa, Paranthan and Palamunei.
- There were 787 students following the Higher National Diploma in Agriculture Production Technology course in NVQ level 6 schools and 258 students following the National Diploma in Agriculture Production Technology course in NVQ level 5 schools.
- During the year 2021, 206 No. of NVQ level 6 students and 114 No. of NVQ level 5 students passed out from the Schools of Agriculture.

- A total of 545 SL-GAP farms were certified during the year along with conducting 80 training programs including public awareness, farmer and officer trainings on GAP practices.
- AFACI-GAP project was successfully implemented for facilitation of infrastructure in GAP villages.
- A program on “Livelihood enhancement of the small farmer in SAARC region through small scale agro-business focusing on value chain” was continued with the financial assistance from the SAARC Development Fund. Two numbers of Processing centres will be set up in Anuradhapura and Monaragala areas to process the indigenous food crops (area specific).
- A total of 161 TV programs, 277 special video programs and 25 video short messages were telecasted during the year while 256 Youtube clips were uploaded to disseminate new agricultural technologies to farming community and other relevant stakeholders.
- A total of 1,676 radio programs and 480 short messages on agriculture related matters and issues were broadcasted during the year.
- Printing of 70 new books (122,191 copies), 45 leaflets (1,826,128 copies) and posters with 51,430 copies on agriculture were completed and distributed.
- A total of 346 new pages were uploaded in to the social media.
- A user friendly new web site for the Department of Agriculture was constructed of which 118 pages were updated.
- A total 34,316 persons visited the Gannoruwa and Bata atha Agro Parks with an income earning of about Rs. 4.25 millions.
- Income from sale of agricultural publications was Rs. 2.21 million.
- Development of Soil test report management system phase I, Registration of pesticides, Seed marketplace system and Asset management databases were completed. Development of Financial database, Plant genetic resources MIS phase I, Soil test report management system phase II and School management system databases are in progress.
- A total 73,718 queries on agriculture related matters and issues were replied through the 1920 free agro- advisory service.
- A special media campaign on Organic production was conducted with 32 TV programs, 5 TV short messages, 1 advertisement, daily short messages through LED panels, 1,212,000 leaflets and 28,350 posters in both Sinhala & Tamil languages, 35 radio programs per week, 34 Krushi TV you tube video clips, 30,800 copies of books on compost production, 46 Ag-tech newsletters and creating awareness through 8 Zoom trainings and 148 social media posts and videos.

Agricultural and Agrarian Insurance Board (AAIB)

Vision

To be the ideal Agricultural Insurance Institute in South Asia by being the foremost protector in local agriculture

Mission

To provide an internationally recognized excellent service through collective efforts and coordination with the relevant institutions for the provision of Agricultural Insurance and benefits

Objectives

- Updating insurance schemes that existed and introducing new insurance schemes to reduce the risk of local agriculture and to stabilize the financial position of the institution.
- Updating social security schemes that existed and introducing new security schemes to provide stability to local farmers.
- Obtaining local and international quality certificates applicable to the institution.
- Maintaining proper coordination with other relevant institutions.
- Maintaining a satisfied customer base.
- Maintaining the systematic development and administration of the human and physical resources of the institution.

Institution as per the Act

The Agriculture Insurance Board was established by the Agricultural Insurance Act No. 27 of 1973 as the only State Insurance Agency for Agricultural Insurance to fulfill the responsibility of the Government in safeguarding the local agriculture and the farmer in the event of emergencies. The Agricultural Insurance Board was re-established as the Agricultural and Agrarian Insurance Board by the Agriculture and Agrarian Insurance Act No. 20 of 1999.

Functions:-

1. Agricultural Risk Management

Contributing to agricultural risk management by introducing agricultural insurance schemes to the agricultural sector in Sri Lanka under crop, livestock and general insurance as a Risk Management System, assisting to minimize the economic breakdown of the farming

community in the event of an emergency and supporting agricultural lending institutions to improve their financial stability

- Crop Insurance Schemes (Paddy and Other Crops)
- Livestock Insurance Schemes
- Life Insurance Schemes
- Suwasetha Health Insurance Scheme
- Accident Insurance Scheme
- Agricultural Equipment Insurance Scheme
- Warehouse Insurance Scheme
- 2 Wheel, 4 Wheel Tractor and Other Third Party Insurance Schemes

2. Social Welfare

Contributing to secure the retirement life of farmers associated with the agricultural sector in Sri Lanka through introducing of social security schemes.

- Farmers' Pension and Social Security Benefit Scheme
- Fishermen's Pension and Social Security Benefit Scheme

Overall Financial Progress up to 31.12.2021

Details	Allocation (Rs. Mn.)	Expenditure (Rs. Mn.)*
Recurrent	4,000	4,000*
Capital	1,040	1,020

Financial and Physical Progress up to 31.12.2021

Premium Income and Compensation on Insurance Schemes – Upto 31st December 2021

Insurance Scheme	Upto 31 December 2021	
	Premium Income (Rs. Mn)	Compensation (Rs. Mn.)
Compulsory insurance premium income	57.8	1,086.5

Farmers / Fisheries Pensions and Social Security Scheme Premium Income and Payments of Pension – Upto 31st December 2021

Scheme 118-02-03-049-1509	No. of Contributors	Income (Rs. Mn.)	Number of Pentioners	Payment of Pensions (Rs. Mn.)
Farmer's Pension	959,254	18.9	167,626	3,755.7
Fisheries Pension	69,049	0.3	5,354	77.5

* Government Contribution - (Including Rs. 247 Mn of operational and administrative expenses incurred for the implementation of the Farmers and Fishermen's Pension Scheme.)

➤ **Physical progress of development programmes implemented in the year 2021**

1. Project to introduce an index based insurance scheme

- This project is currently being implemented in Vavuniya, Kilinochchi, Anuradhapura, Ampara, Hambantota, Kurunegala and Gampaha districts. Satellite images and drone technology are being used whenever necessary for the damage assessment process.
- Under this scheme, compensation calculations, field monitoring and crop damage analysis for the yala season 2021 are being carried out in Anuradhapura, Hambantota, Vavuniya, Gampaha, Kilinochchi, Ampara and Kurunegala districts.
- It is planned to adopt this new scheme for the maha season 2021/2022 as well.

2. Programme to build a computer software with a management database (AIMS)

- The Agriculture and Agrarian Insurance Board, with the technical assistance of the International Monetary Fund, has completed the first phase of web and mobile application development.
- The mapping of paddy lands in the Hambantota district has been completed at the yaya level. Also, a portion of paddy lands in the Gampaha district and most of the potato cultivations in the Badulla district have been mapped and basic information of over 8 lakhs of farmers has been included in this database. All the data has stored in the data storage space (Lanka Government Cloud) in the Information and Communication Technology Agency of Sri Lanka (ICTA).
- It has been discussed the national importance of implementing this project as a joint venture of the Ministry of Agriculture and the Ministry of Information Technology in the future in order to implement it efficiently and minimize its cost. This project is currently being implemented expeditiously under the direct intervention of the Hon. Minister of Agriculture and the guidance of the Ministry of Agriculture and the advice of Sri Lankan software engineers with international experience in information technology. It is planned to introduce this application to field officers in the upcoming months and implement it at the field level.
- The initial stages of officer training in the following districts have been completed, for the same. Agrarian Development Officers and Development Officers of the Department of Agrarian Development were involved in these training programmes.

Date	Details	Venue of Training Programme	No. of Officers Participated
03/11/2021	Awareness Programme for Officers in the Head Office of the Department of Agrarian Development	Water's Edge, Battaramulla.	61
11/11/2021	Awareness Programme for District Commissioners of the Department of Agrarian Development	Hotel Grand Monarch, Thalawathugoda.	75

Date	Details	Venue of Training Programme	No. of Officers Participated
01/12/2021	Awareness Programme for Agrarian Development Officers and Development Officers of the District Office of the Department of the Agrarian Development, Colombo District	Hotel Sapphire, Colombo 05.	50
01/12/2021	Awareness Programme for Agrarian Development Officers and Development Officers of the District Office of the Department of the Agrarian Development, Gampaha District	Senuri Reception Hall, Diyulapitiya.	140
01/12/2021	Basic Awareness Programme for Agrarian Development Officers and Development Officers of the District Office of the Department of the Agrarian Development, Kalutara District	Hotel Panorama, Kalutara	125
02/12/2021	Basic Awareness Programme for Agrarian Development Officers and Development Officers of the District Office of the Department of the Agrarian Development, Puttalam District	Hotel Far Inn Beach, Chilaw	110
03/12/2021	Basic Awareness Programme for Agrarian Development Officers and Development Officers of the District Office of the Department of the Agrarian Development, Kurunegala District	Hotel Green Serenity, Kurunagala	350
10/12/2021	Basic Awareness Programme for Agrarian Development Officers and Development Officers of the District Office of the Department of the Agrarian Development, Hambantota District	Hotel Rain Tree, Hambantota	125
14/12/2021	Basic Awareness Programme for Agrarian Development Officers and Development Officers of the District Office of the Department of the Agrarian Development, Galle District	Hotel Grand Palace, Galle	200
14/12/2021	Basic Awareness Programme for Agrarian Development Officers and Development Officers of the District Office of the Department of the Agrarian Development, Matara District	Hotel Balagala Tea Garden, Akuressa	150
24/12/2021	Basic Awareness Programme for Agrarian Development Officers and Development Officers of the District Office of the Department of the Agrarian Development, Rathnapura District	Hotel Kethumatee and Banquet, Rathnapura	170

Financial Targets and Progress including Development Programmes on Vote on Accounts up to 31.09.2021 - Summary of Expenditure Report including Recurrent and Capital Expenditure

S/N	Project / Programme	Allocation for the Year 2021 (Rs. Mn.)	Financial progress as at 31 st December		Receipt of Budget Allocation as at 31 st December (Rs. Mn.)
			Expenditure (Rs. Mn.)	%	
Total Budget		5,040.0	5,020.0	99.6	4,020.0
	Recurrent	4,000.0	4,000.0	100	4,000.0
	Capital	1,040.0	1,020.0	98.1	-
01.	For payment of Farmer and Fisherman Pensions (118-02-03-049-1509)	4,000.0	4,000.0	100	4,000.0
	Recurrent	4,000.0	4,000.0	100	4,000.0
02.	Capital Expenditure (118-02-03-049-2201)	40.0	20.0	50.0	20
	Capital	40.0	20.0	50.0	20
03.	Compulsory Insurance 118-02-03-43-2202	1,000.0	1,000.0	100.0	-
	Capital	1,000.0	1,000.0	100.0	-

Budget Provisions and Expenditure as at 31st December 2021

Vote	Targets in the Year 2021 (Rs. Mn.)	Budget Allocations as at December 2021 (Rs. Mn.)	Expenditure as at December 2021 (Rs. Mn.)
To pay Farmer and Fisherman Pensions (118-02-03-049-1509)	4,000.0	4,000.0	4,000.0
Capital Expenditure (118-02-03-049-2201)	40.0	20.0	20.0
Compulsory Insurance (118-02-03-43-2202)*	1,000.0	-	1,000.0

* Rs. 1,950 million has been requested for the year 2020, under the Compulsory Crop Insurance Scheme. For that, Rs. 1000 million has been included in the annual budget allocation for the year 2021. However, it is required Rs. 1900 million to pay compensation for the year 2021. Accordingly, an additional provision of Rs. 2850 million is required for the year 2021.

Policy Decisions taken by the Ministry / Institution in line with the implementation of the National Policy “Vistas of Prosperity”

National Policy "Vistas of Prosperity"	Policy Decisions
Re-Establishment of Farmers' Pension	Preliminary work on formulating a new pension scheme and introducing it to farmers and initiating recruitment has been completed, based on the Cabinet decisions granted on the Cabinet Memorandum submitted regarding the restructuring of the pension scheme and the adjustments required for the present and looking forward to a date to launch it officially.
A high yielding crop insurance scheme will be introduced, since the risk of cultivation discourages the farmer.	<p>Implementation of a compulsory crop insurance scheme for 6 crops namely paddy, maize, potatoes, big onion, chilli and soya with the contribution of full insurance premium of the Treasury.</p> <p>A Cabinet Memorandum has been prepared and submitted to the Ministry, to provide a crop cultivation insurance scheme with a minimum premium in order to prepare a complete cultivation insurance scheme for farmers, in the yala season 2021.</p>
Compensation for crop damage suffered by the farmer in the past time period will be paid within six months.	Crop damage will be estimated within 90 days of receipt of crop damage applications and compensation will be calculated and payments will be made as soon as the funds are provided by the Treasury. This compensation process can be done efficiently, once the information management database has been set up, and however, the payments can be made expeditiously if the receipt of fund from the Treasury is not delayed.
An easy method of insuring the agricultural crops of every farmer and a new method of immediate compensation will be introduced.	An Agricultural Information Management System (AIMS) and the Index Base Insurance Scheme are being developed. It would introduce new insurance methods and an efficient insurance process to farmers through same.
Action will be made to introduce an effective insurance scheme for the fisheries community	Measures are being taken to introduce an effective pension scheme for the fisheries community and several discussions have been held with the Ministry of Fisheries. It can be implemented as soon as the approval of the Cabinet of Ministers is submitted by the Ministry of Fisheries.

Janatha Estates Development Board (JEDB)

Vision

To become one of the most profitable and strong government institutions by obtaining the highest net market price through being the best middle class traditional tea producer at the local level.

Mission

Providing the benefits of industrial development to the entire country through achieving the objectives through teamwork by utilizing the resources available with maximum commitment and by focusing on the development of individual skills.

Financial Progress - 2021

Details	Estimated Amount (Rs. Mn.)	Actual Amount (Rs. Mn.)
Capital Expenditure	599.27	132.65
Recurrent Expenditure	1797.58	1614.26 (upto November 2021)

Physical Progress of the Development Programmes:

Summary

The highest amount of capital expenditure has been spent this year on productive contributions towards agriculture and activities such as replanting of tea, maintenance, planting in vacant lots, establishment of tea nurseries, production of organic fertilizer etc, have been initiated in this year. Furthermore, we are able to obtained the harvest around one million kilos of green tea leaves by November 2021 compared to the year 2020, which is a significant achievement for our company.

Physical and Financial Progress of Development Projects:

Project	Financial (Rs. Mn.)		Physical	
	Estimated Amount	Actual Expenditure	Estimated Amount	Actual Expenditure
Re cultivation - Tea	125.16	28.06	58.00	14.51 Ha
Rubber	47.03		55.79	
Maintenance / ground preparation				
Tea	47.16	11.75	24.00	10.50 ha
Rubber	49.40	33.98	149.75	147.75 ha
Planting in vacant lots	57.47	9.58	27.10	8 ha
Forestry and maintenance	10.19	5.38	56.5	14 ha (49500 plants)
Other crops and organic fertilizers	74.88	17.99	110.80	(organic manure - 1173 MT, pepper -3.5 Ha, coffee plants - 8440)
Tea factory renovation	64.22	8.02		Hope, Levelan and Lulkadura tea factories
1. Tea Nurseries	27.61	17.46	1350000 පැට	509309 plants
2. Vehicles	46.77	0.11		
3. Agricultural tools	5.44	0.32		
4. Others	43.94	-		
Total	599.27	132.65		

Progress Review - Upto November 2021 (According to Management Accounts)

Details	Year 2021	Year 2020	The Value of Increase / Decrease	%
Tea Production Green Tea Leaves (Estate)	6,902,149.00	5,934,207.74	867,941.26	16.31 %
Tea Leaves obtained by leasing to labourers	136,374.00	69,311.00	67,063.00	96.76 %
Total	7,038,523.00	6,003,518.74	1,035,004.26	17.24 %
Tea Production Made Tea				
Tea Production Made Tea (Estate)	1,507,993.90	1,237,655.00	270,338.90	21.84 %
Made Tea obtained by leasing to labourers	29,329.00	15,363.00	13,966.00	90.91 %
Total	1,537,322.90	1,253,018.00	284,304.90	22.69 %
Extent of land under tea production (ha)	2,808.32	2,778.49		
Tea Yield per hectare	537	445	91.	20.55 %
Marketing price per Kg	429.55	425.96	3.60	0.84 %
Production cost per Kg	664.01	692.78	(28.77)	(4.15) %
Rubber production Kg	370,665	410,890	(40,225.00)	(9.79) %
Yield per hectare	727	767	(40)	(5.31) %
Production cost per Kg	425.17	264.74	160.43	60.60 %
Rubber Production (Kg)	322.75	277.06	45.70	16.49 %
Total Revenue	1,403,707,937.00	1,068,485,051.12	335,222,886.08	31.37 %
Estate - Tea	660,362,399.71	533,732,545.19	126,629,794.52	23.73 %
Rubber	157,594,900.08	108,779,883.97	48,815,016.11	44.88 %
Tea Marketing	331,756,098.87	295,949,367.00	35,806,731.87	12.10 %
Head Office	108,848,163.11	66,187,453.26	42,660,709.85	64.45 %
Sundry	145,146,435.43	638,35,801.70	81,310,633.73	127.37 %
Total Expenditure	1,614,267,899.45	1,407,132,682.55	207,135,216.90	14.72 %
Estate - Tea	1,020,804,955.06	868,065,503.15	152,739,451.91	17.60 %
Rubber	119,633,595.62	113,840,336.12	5,793,259.50	5.09 %
Tea Marketing	272,992,801.99	240,530,521.85	32,462,280.14	13.50 %
Head Office	200,836,546.78	184,696,321.43	16,140,225.35	8.74 %
Sundry	-			
Profitability (Rs/Mn)				
Estate - Tea	(360,442,615.36)	(334,332,957.96)	(26,109,657.39)	7.81 %
Rubber	37,961,304.46	(5,060,452.15)	43,021,756.61	(850.16) %
Tea Marketing	58,763,296.88	55,418,845.15	3,344,451.73	6.03 %
Head Office	(91,988,383.67)	(118,505,868.17)	26,520,484.50	(22.37) %
Sundry	145,146,435.43	63,835,801.70	81,310,633.73	127.37 %
Total (Rs/Mn)	(210,559,962.25)	(338,647,631.43)	128,087,669.18	(37.82) %

The loss has decreased by 128.08 million rupees (37.82%) compared to the previous year.

Lanka Phosphate Ltd (LPC)

Establishment of the Company and Legal Form

Lanka Phosphate Ltd was incorporated on July 10, 1992 as a Limited Liability Company under the Companies Act No. 17 of 1982 in terms of the conversion of Public Corporations or Government Owned Business undertakings in to Public Companies Act No. 23 of 1987 to take over the Eppawala Phosphate project of the State Mining and Mineral Development Corporation. However, subsequently the Company has re-register under the Companies Act No. 07 of 2007

Ultimate Parent Company

The company's issued shares are fully owned by the Secretary to the Treasury on behalf of the Government of Sri Lanka

Vision

“To enrich the soil fertility in our motherland by providing phosphorus nutrient with the Optimum utilization of the Eppawala phosphate deposit.”

Mission

“To Fulfill the National Requirement of Phosphate Fertilizer by being Self-Sufficient in Phosphorus Through an Environment friendly and State of the art process”

Functions of the Company

Principal Activities and Nature of Operations

The principal activities of the company are excavating, processing and selling of Rock Phosphate, which is used as a fertilizer for perennial agricultural crops.

What do we do

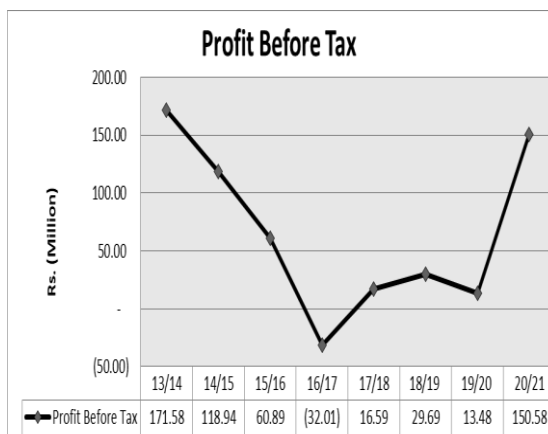
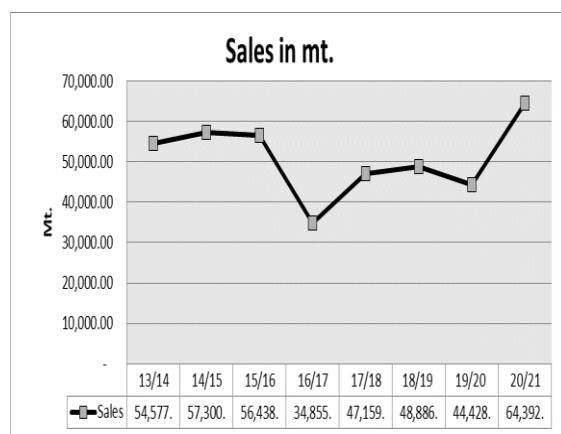
- Mineral Exploration
- Quarry Mining
- Processing/ Crushing & Grinding
- Budgeting/ Quality Control/ Sales Analysis
- Storage
- Transport/ Loading
- Maintenance
- Training
- Financial Accounting
- Research & Development
- Marketing & Sales
- Product awareness Programmes
- Corporate Social works
- Staff Welfare

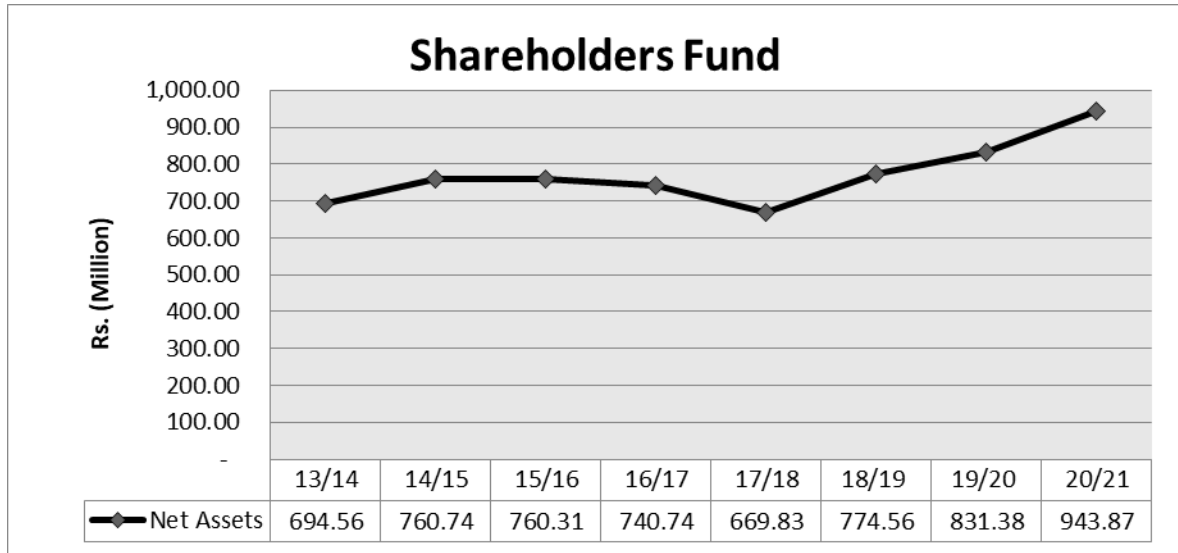
1.0 Profitability

Description	2020/21	2019/20	Variance	%
Turnover - Qty (mt.)	64,392	44,429	19,963	44.9%
Rs. (million ¹)	750.37	510.00	240.37	47.1%
Production - Qty (mt.)	61,487	46,364	15,123	32.6%
Other Income - Rs. (million ¹)	29.52	36.32	(6.80)	(18.7%)
Total Expenses - Direct (million)	405.00	321.28	(83.72)	(26.0%)
- Indirect (million)	241.32	213.87	(27.45)	(12.8%)
Gross Profit/ (Loss)	345.37	188.72	156.65	83%
Operating Profit / (Loss)	120.96	(22.84)	143.80	
Profit / (Loss) Before Tax	150.58	13.48	137.10	

2.0 Financial Position as at 31.03.2021

Description	2020/21	2019/20	Variance
Non- Current Assets	343.93	380.36	(37.43)
Current Assets	755.76	567.29	188.48
Total Assets	1,099.69	948.65	151.04
Long term Liabilities	78.22	78.30	(0.74)
Current Liabilities	77.59	38.97	38.62
Total Liabilities	155.81	117.27	38.54
EQUITY / SH's FUND	943.87	831.34	112.49





Projects in Hand

Project	Progress	Expected Date of Completion
Installation of New Mill Machine	Mechanical works and Construction activities are in progress	February, 2022
Renovation of Crusher Plant	Mechanical works and procurement activities are in progress	August, 2022
Installation of Fertilizer Packing Unit	Mechanical works and procurement activities are in progress	April, 2022
Upgrade Power Distribution System and Standby Generator System	Project report is pending for approval of Board of Directors	August, 2022
Construction of Raw Material Stores at Eppawala	Procurement activities are in progress	August, 2022

Paddy Marketing Board (PMB)

- Vision** - To be the leading Government mediator relating to purchasing, storing, processing and marketing paddy and rice.
- Mission** - To successfully implement the process of purchasing, storing, processing and marketing of paddy and rice with the involvement of a staff fully equipped with the knowledge and skills to satisfy both the producer and the consumer.
- Objectives** -
 Providing a standard maximum price for paddy in the market
 Regularizing rice mill and storage
 Providing rice at a reasonable price
 Increasing the storage capacity and converting to appropriate storages in order to keep secured stocks
 Constructing warehouses with modern technology to store paddy scientifically
- Functions** -
 Purchasing paddy at guaranteed prices to ensure the selling price of paddy farmers
 Maintaining paddy and rice market prices stable
 Maintaining stocks of paddy and stocks of rice
 Creating food security for Sri Lankans

Financial Progress

Details	Allocation (Rs. Mn.) (Approved)	Expenditure (Rs. Mn.) (Actual Amount)
Capital	500.0	35.5 *
Recurrent	150.0	140.6
Proprietary Contribution	2,171.0	2,176.3

* Although a request was made to the Treasury on 21.10.2021 to provide the above allocations under this approved capital expenditure, such allocations has not yet received to the Paddy Marketing Board.

Specific Fields

Development Programme 1	Purchase of Paddy
Allocation Rs. 19,755 Mn	Expenditure Rs.. 2,898 Mn
Objectives	Purchasing, storing, processing and marketing of paddy and rice to the satisfaction of both the producer and the consumer

Development Programme 1	Purchase of Paddy	
Activities according to the Action Plan	Targets to be Achieved	Physical Progress
1. Purchase of Paddy - Maha Season 2020/21 2. Operating Expenses 3. Purchase of Paddy - Yala Season 2021 4. Operating Expenses	Purchase of 300,000 Mt of Paddy in the Maha season 2020/21 Purchase of 100,000 Mt of Paddy in the Yala season 2021	Mt. 44,249 of Nadu paddy, Mt. of 527.0 of Samba paddy and total of Mt. 44,776 paddy were purchased in Maha season 2020/21 Physical Progress 16% During Yala season 2021, Mt. 7,582 of Nadu paddy, samba paddy of Mt 136 and Kiri Samba paddy of Mt.10, in total Mt. 7,728 of paddy were purchased. Physical progress 13%
Area where Development Programme was conducted (District / Grama Niladhari Division)	Ampara, Anuradhapura, Polonnaruwa, Kurunegala, Batticaloa, Puttalam, Trincomalee, Mullaitivu, Vavuniya, Kilinochchi, Mannar, Jaffna, Kandy, Badulla, Gampaha, Matale, Hambantota, Moneragala, Ratnapura, Matara and Galle Districts	
Number of Beneficiaries	Farmers islandwide	
No. of Trainings Conducted	No	
No. of Field Observations	05	

Development Programme 2	Capital Expenditure	
Allocation Rs. 500 Mn	Expenditure Rs. 35.5 Mn	
Objectives	Repair of warehouses for purchase of paddy	
Activities according to the Action Plan	Targets to be Achieved	Physical Progress
1. Construction of 04 new warehouses 2. Installation of convection drying machines for 100 warehouses 3. Repair and modernization of warehouses, operating expenses 4. Purchase of 15,000 floor shelves 5. Training and development	Repairs 35 warehouses that need to be repaired essentially for the purchase of paddy by Sri Lanks Army	30% Other projects have not been implemented due to non-provision of capital from the General Treasury.

Area where Development Programme was conducted (District / Grama Niladhari Division)	Ampara, Anuradhapura, Polonnaruwa, Kurunegala, Batticaloa, Puttalam, Trincomalee, Mullaitivu, Vavuniya, Badulla, Matale, Ratnapura Districts
Number of Beneficiaries	Farmers islandwide
No. of Field Observations	05

Development Programme 3	Proprietary Contribution	
Allocation Rs. 2,171 Mn	Expenditure Rs. 2,176.3 Mn	
Objectives	Repayment of installments of loans obtained from People's Bank and Bank of Ceylon for purchase of paddy, from year 2012 to 2019 on terms	
Activities according to the Action Plan	Targets to be Achieved	Physical Progress
1. Installment payment for Bank of Ceylon 2. Installment payment for People's Bank	Repayment of loans obtained for the purchase of paddy	100%
Area where Development Programme was conducted (District / Grama Niladhari Division)	-	
Number of Beneficiaries	Farmers islandwide	

Details of Profit / Loss -

Year	Profit / Loss Rs. Mn
2017	(462.11)
2018	(1,185.10)
2019	(741.66)

Hector Kobbekaduwa Agrarian Research and Training Institute

(HARTI)

Vision

Be the leader in generating and disseminating knowledge for sustainable agrarian and rural development.

Mission

To strengthen agrarian and rural sector through conducting research and training activities.

Targets

01. Making efficient the policy making process through knowledge generation and timely dissemination
02. Improving the capacity of stakeholders engaged in rural development through training
03. Creating rural development plans through functional research
04. Improving market price information for stakeholders in supply chain
05. Improving the resource management of the institution

Objectives

- ❖ Distributing market information to policy makers, farmers and traders
- ❖ Conducting research on marketing issues
- ❖ Conducting research on consumer behaviour
- ❖ Evaluating government development programmes
- ❖ Assessing the impact of agricultural and rural development projects and programmes
- ❖ Reviewing and analyzing agricultural policies
- ❖ Conducting feasibility studies on proposed development projects
- ❖ Conducting research on water resources management and irrigation agriculture
- ❖ Conducting research on institutions and institutional policies related to irrigation
- ❖ Organizing and conducting training programmes / workshops / seminars based on national priorities
- ❖ Accessing external demand by conducting training programmes on specific subjects
- ❖ Providing the services of trained specialists for training programs organized by external agencies
- ❖ Improving libraries and audio visual resources
- ❖ Utilizing ICT to disseminate research findings
- ❖ Studying environmental and natural resource management issues
- ❖ Providing inputs and research on support services
- ❖ Developing human resource skills
- ❖ Recruiting new staff based on needs

Financial Progress

Table 01: Summary of Capital and Recurrent Expenditure

Description	Allocation (Rs. Mn.)	Expenditure (Rs. Mn.)
Capital	9.76	8.35
Recurrent	200	188

Table 02: Capital Expenditure

Description	Allocation (Rs. Mn.)	Expenditure (Rs. Mn.)
Research	4.258	4.13
Training	2.9	2.46
Knowledge Sharing and Research Dissemination	2.1	1.58
Monitoring Research	0.5	0.183

Approval of the Department of National Budget have not been granted for preliminary quality analysis of dedicated Economic Centers to be upgraded under the Interconnected Relations and Development Project (ICDP), evaluation of the functional 'Krushi Shakthi' loan scheme by the Farmers' Trust Fund and preparation of the research agenda of the institution.

Physical progress

Table 03: Research

Description	Target	Physical progress as at 31.12.2021
Research	75%	75% (Draft reports submitted)

Table 04: Research Recommendation - Recommendation have been provided for 22 researches

The 21 research projects included in the 2021 Action Plan were completed as planned and arrangements are being made to direct the research related policy implications to the relevant parties for the promotion of the agrarian sector in the country. Also produced several reports that are of national importance in the matter of policy formulation relevant to key decisions made at the beginning of the year; include the following: Review of the draft national agricultural policy, a report titled 'Focusing on Organic Farming: Issues, Challenges and Suggestions for Moving Ahead', providing detailed feedback on the series of questions raised by the State Minister of Agriculture, a roadmap towards converting to organic farming, a biomass inventory, review of the National Environmental Policy, preparation of a preliminary report on selected deforestation sites in Sri Lanka.

02. Training

The Training & Education Division completed 15 training programmes covering a wide range of subjects

Table 05: Physical Progress of the Training Programme

Description	Physical Progress as at 31.12.2021	
	Number	Participants
1. Application of participatory techniques for planning and managing rural development Programmes (PRA)	03	Total of 198 Assistant Directors and Development Officers attached to the Planning Division
2. Social Mobilization	01	35 Development Officers attached to Planning Divisions and were involved in “Saubhagya village” programme
3. Training programme for strengthening farmer women entrepreneurs to enhance rural economy	10	516 women Farmer entrepreneurs
4. Workshop on Application of Agri-business Concept and Marketing Extension	01	29 undergraduates in the Faculty of Agriculture and Plantation Management, Wayamba University of Sri Lanka

03. Knowledge Sharing and Research Dissemination

Another significant achievement of the institution in the year 2021 was issuance of 16 research reports missed and which had to be completed in previous years in the face of the Covid 19 pandemic. In addition, a number of reports were compiled on current topics to contribute to other organizations and sectors. Review of the draft national agricultural policy, a report titled 'Focusing on Organic Farming: Issues, Challenges and Suggestions for Moving Ahead', providing detailed feedback on the series of questions raised by the State Minister of Agriculture, a roadmap towards converting to organic farming, a biomass inventory, review of the National Environmental Policy, preparation of a preliminary report on selected deforestation sites in Sri Lanka.

The institution has made significant effort in the field of communications by strengthening the information and communications sector. The institution has strengthened its Information and Communication Technology (ICT) division and marked a high level of publication launch with the aim of accomplishing a key role in reaching a wider audience.

It was strengthened the information and communication sector in order to reach wider audience. Accordingly, 13 research reports and 03 working papers were published and one report was submitted to the Ministry of Agriculture. In addition, 'Govimina,' a monthly national newspaper on agriculture was launched. The handing over of 10,000 copies of the 24 page national agricultural newspaper 'Govimina' to the farmers as well as the preparation of the second issue with 32 pages and 20,000 copies free of charge to the farmers is a significant achievement in the field of communication.

In the year 2021, updating the website of the institution, maintaining the 'Govimina' website as a national forum on agricultural news and distributing agricultural information through print media, electronic media and new media networks such as Facebook, Twitter, Instagram and YouTube were successfully completed.

Sri Lanka Council for Agricultural Research Policy (SLCARP)

Vision

A vibrant and sustainable agricultural research, development and innovation system assuring socio-economic development of Sri Lanka.

Mission

To ensure agricultural research, development and innovations are directed towards national development goals through policy formulation, facilitation, coordination, monitoring and evaluation, and impact assessment.

Objectives -

1. Achieving agricultural research, development and innovation excellence
2. Orientation of agricultural research and innovation to achieve the National Development Programme
3. Capacity building of the National Agricultural Research and Innovation System (Scientific and Technological)
4. Promoting high quality on-demand research to support agricultural development.
5. Promoting international, regional and national collaboration in order to achieve world-class research, development and innovation
6. Monitoring and evaluating the progress of national research, development and innovation programmes and institutions
7. Promoting the expansion and awareness raising of national research, development and innovation programs
8. Strengthening the institutional capacity of the Agricultural Research Policy Council of Sri Lanka in order to achieve the National Development Programme

Key Functions

- Agricultural Research Management
- Progress Monitoring and Evaluation of the research projects
- Formulation of agricultural research policy and priorities
- Motivation of agricultural research
- Providing of financial provisions for agricultural research
- Development of agricultural human resources

Financial Progress

Details	Allocation (Rs. Mn.)	Expenditure (Rs. Mn.)
Capital*	40.00	13.261
For Researches	25.17	4.65
Recurrent	200.00	113.246

* The total capital amount received to the institution was Rs. 13.261 Mn. That entire amount has been spent.

Specific Areas

Development Programme			
Allocation (Rs. Mn.)	25.17	Expenditure (Rs. Mn.)	4.65
Activities according to the Action Plan		Targets to be Achieved	Physical Progress
1. Formulation of National Agricultural Research Policy and Priorities		Establishment of 06 National Committees	Six National Committees were appointed in the areas of plantation, food crops, floriculture, forestry, fisheries and livestock. The committees met remote method.
2. (I) Reviewing the progress of research projects implemented under the National Agricultural Research Plan (NARP)		Number of projects to be reviewed progress - 66	Number of projects which reviewed progress - 38
(II) Research project management within the National University System under the National Agricultural Research Plan (NARP-NUS) - (The financial allocation for this project is provided by the Ministry of Agriculture.)		No. of research projects to be recommended - 10	Number of research projects recommended for the year 2021 through concept paper and project proposal review - 9 (University of Peradeniya - 2 / University of Ruhuna - 4 / University of Colombo - 1 / (University of Kelaniya - 1 / University of Sabaragamuwa - 1) Number of projects initiated in previous years and implemented in year 2021 - 5 (University of Peradeniya - 2 / University of Kelaniya - 1 / University of Sabaragamuwa - University of Rajarata - 1)
3. Reviewing the progress of year end 2020 of research action plans of National Agricultural Research Institutes (NARS)		Evaluate the progress of the research plan of 25 institutions	The progress of the research plan of 25 institutions was evaluated
4. Analysis of the research action plan in NARS		Number of action plan to be collected - 25	No. of action plan collected - 25

Activities according to the Action Plan	Targets to be Achieved	Physical Progress
5. Improving the quality and importance of national agricultural research through funding for inter-institutional research,	Number of project proposals to be approved and to be allocated funds - 8 Number of projects implemented to be managed - 2	Number of new project proposals approved and allocated funds - 4 Number of projects being implemented - 2
6. Calling for proposals on new research concept to recommend funding in 2022	Calling 100 new research concept proposals and selecting 50 of same proposals	105 new research concept suggestions were received and 50 of them were selected
7. Evaluation of Terminal Reports	Collection of 32 final research reports Evaluation of 22 final research reports	22 final research reports were collected The 22 final research reports were submitted for external evaluation and 13 evaluation reports were received
8. Providing opportunities to local agricultural researchers for short term training and postgraduate degrees in coordination with international agricultural research institutes.	Number of short term foreign trainings under Memorandum of Understanding - 4 APAARI Number of membership fees and training - 4 Postgraduate training to be provided Number of trainings -78	Number of short term foreign trainings provided under Memorandum of Understanding - 4 APAARI Number of trainings - (Total number of workshops conducted under the online system - 4) Post Graduate trainings provided Number of trainings -78 Number of trainees completed -6
9. External Investigation of NARS Institutions	Preparation of NARS Institutional External Investigation Guidance External investigation of SEPC and NRMC Follow-up of 2 agencies that have been conducting external investigations in recent years	NARS has finalized the preparation of the External Investigation Guidance. SEPC and NRMC have appointed committees for external investigation. The first meeting of those committees was held. SEPC and NRMC have requested self-assessment reports. SEPC has now submitted the relevant report. 2 institutions presented progress on the implementation of their investigation recommendations

Activities according to the Action Plan	Targets to be Achieved	Physical Progress
10. Sri Lanka Journal of Food and Agriculture (SLJFA)	Number of Journals to be Issued in 2021 - 2 (Volume 6 Issue 2 and (Volume 7 Issue 1))	Volume 6, Issue 2, have published online.
11. INFORM Database System containing financial, physical, human and research information of NARS organizations	Number of NARS Institutions to be provided Information - 31 Number of databases to be analyzed - 1 Number of data analysis reports to be printed and published - 1	Number of NARS Institutions provided Information - 26 Number of databases analyzed - 1 Number of data analysis reports printed and published - 1
12. SLCARP Awards for Agricultural Excellence	Number of research papers / applications expected - 20 Number of Awards Ceremonies to be held - 1	Number of research papers / applications received - 39 Number of Awards Ceremonies held - 0 (The event was postponed due to health issue in the country.)
13. Stimulate researchers through capacity development lectures	Number of lectures to be conducted - 3 Number of short-term training - 3	Number of lectures conducted - 2 Number of short-term trainings conducted - 1
14. Short term training through capacity building lectures	Number of short-term training - 3	Number of short-term trainings conducted - 3
15. Approval of Research Grant for Researchers in the Agricultural Sector in accordance with Department of Management Services Circular No. 2/2014	Number of Applications expected - 104	Number of Applications approved - 100
16. Conducting seminars to create awareness on new priorities in the agricultural sector	Number of seminars / workshops to be organized - 3	Number of seminars / workshops organized - 1 (National Conference on Floriculture)
17. Purchases		
Area where the Development Programme was conducted	Islandwide	
No. of Beneficiaries	Direct Beneficiaries - 500 (Researchers) Indirect Beneficiaries – Farming Community	
Number of Training Workshops and Field Observations conducted	10 (Online) / No field observations conducted due to Covid 19	
Images of Field Observations	No	

Program for National Agricultural Research Plan (NARP /NUS)

Financial Progress

No	University	No of Researches	Allocation (Rs. Mn.)	Expenditure (Rs. Mn.)
01	University of Peradeniya	04	12.368	5.641
02	University of Ruhuna	04	5.353	3.44
03	University of Colombo	01	0.93	0
04	University of Kelaniya	02	0.965	0.785
05	Sabaragamuwa University of Sri Lanka	02	2.75	2.2
06	Rajarata University of Sri Lanka	01	0.502	0.502

Farmers Trust Fund

Commencement

The Farmers' Trust Fund was established on 09th March 1994 d by a Trust Deed signed by the Secretary to the Ministry of Finance on behalf of the Government and the then Secretary to the Ministry of Agriculture Development and Research, the State Secretary to the same Ministry, the Secretary to the Ministry of Agricultural Production and Marketing, the Commissioner of Agrarian Services and the Deputy Secretary to the Treasury.

Mission

Building an agriculturally self-sufficient Sri Lanka through the active participation of small farmers by preparing the necessary background for the agricultural development and welfare of small farmers.

Objectives

As stated in the Trust Deed established in 1994 and by expanding the objectives in a Cabinet Memorandum in 2002, the Farmers' Trust Fund is working towards the following objectives.

- Improving agricultural development and welfare of the farming community in Sri Lanka
- Providing short term agricultural loan facilities to small farmers
- Provision of agricultural inputs to small farmers
- Providing market credit facilities to small farmers to alleviate their financial difficulties.
- Implementing awareness programmes for the agricultural development and welfare of small farmers.
- Providing crop and animal production processes as well as other incentives required by small farmers for production processing.
- Implementation of special agricultural programmes to facilitate agricultural development.

Implementation Methodology

- Development proposals to be submitted by all Provincial Councils, District Secretaries, and Government departments/Institutions dealing with Agricultural activities are submitted to the Board of Directors for its approval. Projects for which approvals received will be included in the Annual budget estimate of the Farmers Trust Fund.

Composition of the Board of Directors

Chairman	-	Secretary to the Ministry of Agriculture
Member	-	Commissioner General of Agrarian Development
Member	-	Chief Accountant (Ministry of Agriculture)
Member	-	Special Agent of the Treasury

Main Source of the Income of the Fund

Main Source of the income of the Fund consists of certain percentage sales proceeds of Govisetha Lottery and interest received from investment of the balance Fund.

Programmes and projects of this fund are implemented in the form of grants, advance and loan.

1. Projects implemented under Grants

Project	Approved Amount for 2021 (Rs)	Implementing District	Divisional Secretariat	Financial Progress as at 31.12..2021	Physical Progress
Construction of Paddy drying floor of Illuppaikulum	1,960,000	Vavunia	Chendikulum	1,960,000	100%
Restoration of Pirappivendilum Canal	3,805,231	Mulativu	Pudukudirippu	3,805,231	100%
Repairing of agriculture road of Irriyagaha yaya	1,524,000	Colombo	Padukka	1,524,000	100%
Construction of side bund of Heenpanvila Yaya	2,423,637	Mathara	Akuressa	2,423,637	100%
Construction of Dadubediruppa irrigation canal	1,224,927	Matale	Galewala	1,224,927	100%
Construction of side bund of Hewadeniya Kumbura	725,000	Mathara	Kaburupitiya	145,000	20%
Construction of Boowala Agriculture road	1,600,000	Kurunegala	Allauwa	1,517,710	100%
Restoration of access road to Julgamuwa keth Yaya	993,160	Hambantota	ambanthota	198,632	
Rehabilitation of Nagahaduwa canal	219,200	Kaluthara	Halkadawila	58,400	100%
Rehabilitation of Hamudelpotha Anicut	1,967,386	Kandy	Ganga Ihala Koralaya	1,929,912	100%
Rehabilitation of Yahawaththa Anicut	388,068			378,513	100%
Rehabilitation of Dharada Anicut	3,616,058			723,812	50%
Rehabilitation of Ehala deniya and Pahaladeniya Anicut	303,854			60,771	50%
Expansion of Bee Keeping	151,760	Mathara	Mulatiyana	85,760	100%
Expansion of Bee Keeping	86,314		Kotapola	59,400	100%
Promotion of Bee Honey production	74,070		Dickwella	42,570	100%
Introduction of Mushroom production in low Income Families	153,500	Hambantota	Katuwana	125,421	100%
Restoration of Molagoda Adaella Anicut	625,000	Kagalle	Pinnawala	125,000	20%
Restoration of Hapugahahena Anicut	972,000		Ruwanwella	194,400	35%
Sub Total	22613165			16583096	

Project	Approved Amount for 2021 (Rs)	Implementing District	Divisional Secretariat	Financial Progress as at 31.12..2021	Physical Progress
Restoration of Ranwala Mangawa Anicut	583,000		Kegalle	116,600	75%
Restoration of Weweldeniya Canal	698,000		Kegalla	139,600	20%
Restoration of Jayaviddagama, Muruthepela Anicut	1,351,000		Yatiyanthota	270,200	20%
Restoration of Pitawela Upper Irrigation Canal	1,007,000		Ussapitiya	201,400	20%
Restoration of Pitawela Mid Irrigation Canal	520,000		Ussapitiya	104,000	20%
Restoration Thammita Bookuburra Yaya Irrigation Canal	947,000		Ussapitiya	189,400	20%
Concreting of Kalawamulla Paddy Threshing Floor	460,000		Ussapitiya	92,000	100%
Restoration of Malwarusa Canal	1,080,000		Dehiovita	216,000	20%
Restoration of Nikagoda Yaya Canal	1,430,000	Rathnapura	Ayagama	909,363	63%
Restoration of Kunamadukulum Canal	3,000,000	Mulathivu	Ottusudan	2,309,297	100%
Contruccion of Agrarian Bank	4,000,000	Kandy	Galagedara	4,000,000	100%
	4,000,000	Vauniya	Pompemadu	3,777,122	100%
	4,000,000	Kegalle	Pinnawala	2,300,000	57%
	4,000,000	Gampaha	Pallewela	2,300,000	57%
Sub Total	31216000			14624982	46%
Grand Total	53829165			31208078	57%

1.1 Other Special Programmes

Project	Implementing Area	Estimated Amount (Rs.)	Actual Ampount (Rs.)	Physical Progress
Govijana Mansala	Polagahawela	1,400,000.00	280,000.00	20%
Govijana Mansala	Ibbagamuwa	1,400,000.00	280,000.00	20%
Govijana Mansala	Paduwasnuwara	1,400,000.00	280,000.00	20%
Project	Implementing Area	Estimated Amount (Rs.)	Actual Ampount (Rs.)	Physical Progress
Govijana Mansala	Mawathagama	1,400,000.00	280,000.00	20%
Total		5,600,000.00	1,120,000.00	20%

2. Programmes implemented under advance

Manufacturing of Bee keeping box and accessories: Department of Agriculture Rs. 1,500,000.00

Action has been taken to increase the advance amount of Rs. 1,000,000.00 provided to the project on manufacturing of qualitative bee keeping box and accessories implemented by the Bee Development Unit, Bidunuwewa under Ministry of Agriculture upto Rs. 1,500,000.00 in this year.

3. Implementation of agricultural loan programmes

3.1 Providing additional capital to Agrarian Banks

Under this, a loan of Rs. 10.00 Mn. has been provided to the Department of Agrarian Development in order to grant loans for the implementation of small scale agricultural projects under the Agrarian Bank Pilot Project.

3.2 Providing refinance for "Krishi Shakthi" loan scheme:

The Farmers' Trust Fund has released loans amount of Rs. 284,789,257.00 for 290 agricultural projects in the year 2021 under the "Krishi Shakthi" loan scheme implemented with the collaboration of the Regional Development Bank.

Under this, action was taken to grant loans to small and medium scale entrepreneurs at 6% concessionary interest rates covering crop production, animal production, purchase of agricultural machinery, indoor cultivation, organic fertilizer production, floriculture etc, covering all provinces of Sri Lanka.

Future Outlook

Implementation of the “Saubhagya” National Agriculture Programme in line with the “Vistas of Prosperity”, the Government Policy Statement.

Special Achievements

- Conducting capacity building and training workshops in order to enhance the home agro-economy, strengthening small scale entrepreneurs, improving economic development centers, developing technological development, broader identification of young agri-entrepreneurs.
- Construction of storage facilities under Covid-19 emergency response

Challenges

- Launching strategies to increase the contribution of the agricultural sector to the GDP
- Promoting more effective commercial agro cultivations while preserving traditional agriculture and experimenting with different cultivation methods
- Impact of Climate Change - The agricultural sector in Sri Lanka is also experiencing the effects of climate change and natural disasters and it is ranked 2nd place in the Global Climate Risk Index. However, it should be followed the proper steps taken to overcome those challenges without delay.
- Lack of market information network and lack of market information, lack of accurate data
- Lack of appropriate plans to overcome policy challenges

Future Targets

- Establishing strong agricultural extension service and consultancy service
- Improving productivity by adapting to the use of technology as a solution to labor shortages
- Linking of farmland and market network according to geographical location
- Introducing value added products and non-farm sector jobs
- Utilizing scientific methods to reduce crop damage, prevent food wastage
- Introducing risk management tools and enhance IT literacy
- Contacting universities and other academic institutes for research
- Empowering farmers by formulating farmer based policies instead of farming
- Improving the awareness, education and skills of farmers, extension workers, livestock controllers and end users of other sectors.
- Reducing demand-supply gap, establishing e-agricultural market and improving the distribution and profitability of Sri Lankan products and services through efficient supply. Developing tools to analyze and link the nationwide demand and supply for agricultural products in order to achieve the results of this sector. With the current situation, achieving the Sustainable Development Goals (SDGs) by 2030, especially eradicating hunger and poverty will be even more difficult. Doubling the effort of generating sustainable agricultural food systems which resistant over crises and shocks.

**Summary of Financial Progress of the Ministry of Agriculture as at
31.12.2021**

(Rs) -11,924,226,832 (Vote 118-01-01, 118-01-02, 118-02-03)

S/N	Project / Programme	Allocation (Rs.)	Expenditure (Rs.)	Finacial Progress %
	Total Budget	16,786,821,469	11,924,226,832	71%
	Recurrent	4,959,377,000	4,874,063,428	98%
	Capital	11,827,444,469	7,050,163,404	60%
01	Minister's Staff (118-01-01)	40,700,000	32,758,536	80%
	Recurrent	31,000,000	27,636,458	89%
	Capital	9,700,000	5,122,078	53%
02	Administrative and Institutional Services (118-01-02)	1,002,200,000	876,811,811	87%
	Recurrent	928,377,000	846,426,970	91%
	Capital	73,823,000	30,384,841	41%
03	Agricultural Development (118-02-03)	15,743,921,469	11,014,656,485	70%
	Recurrent	4,000,000,000	4,000,000,000	100%
	Capital	11,743,921,469	7,014,656,485	60%

Chapter 03 - Financial Performance

3.1

ACA-F
3.1

Statement of Financial Performance for the period ended 31st December 2021

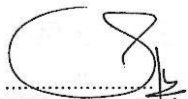
Budget 2021		Note	Actual 2021 Rs.	Restated 2020 Rs.	
Rs.					
1,500,000,000	Revenue Receipts				
-	Income Tax	1	-	-	
-	Taxes on Domestic Goods & Services	2	-	-	ACA-1
-	Taxes on International Trade	3	-	-	
1,500,000,000	Non Tax Revenue & Others	4	453,206,587	1,235,912,505	
<u>1,500,000,000</u>	Total Revenue Receipts (A)		<u>453,206,587</u>	<u>1,235,912,505</u>	
-	Non Revenue Receipts				
-	Treasury Imprests		2,070,282,067	42,483,606,099	ACA-3
-	Deposits		147,929,343	39,001,520	ACA-4
-	Advance Accounts		39,196,960	160,156,472	ACA-5
-	Other Main Ledger Receipts		-	-	
<u>-</u>	Total Non Revenue Receipts (B)		<u>2,257,408,370</u>	<u>42,682,764,092</u>	
<u>-</u>	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)		<u>2,710,614,957</u>	<u>43,918,676,597</u>	
<u>-</u>	Remittance to the Treasury (D)		-	-	
<u>-</u>	Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)		<u>2,710,614,957</u>	<u>43,918,676,597</u>	
-	Less: Expenditure				
-	Recurrent Expenditure				
716,300,000	Wages, Salaries & Other Employment Benefits	5	675,020,269	163,849,104	
183,197,000	Other Goods & Services	6	142,183,964	164,952,627	ACA-2(ii)
4,059,735,404	Subsidies, Grants and Transfers	7	4,056,763,159	3,712,801,329	
-	Interest Payments	8	-	-	
144,596	Other Recurrent Expenditure	9	96,036	80,968	
<u>4,959,377,000</u>	Total Recurrent Expenditure (F)		<u>4,874,063,428</u>	<u>4,041,684,028</u>	
-	Capital Expenditure				
53,023,000	Rehabilitation & Improvement of Capital Assets	10	24,018,795	61,309,085	
24,000,000	Acquisition of Capital Assets	11	7,784,640	11,053,186	
2,040,000,000	Capital Transfers	12	1,640,452,709	1,902,197,984	ACA-2(ii)
1,100,000,000	Acquisition of Financial Assets	13	1,017,482,072	1,139,024,847	
3,500,000	Capacity Building	14	767,883	622,691	
8,606,921,469	Other Capital Expenditure	15	4,359,677,305	2,952,334,509	
<u>11,827,444,469</u>	Total Capital Expenditure (G)		<u>7,050,163,404</u>	<u>6,066,542,302</u>	
-	Deposit Payments		166,129,229	31,672,855	ACA-4
-	Advance Payments		21,673,999	28,462,279	ACA-5
-	Other Main Ledger Payments		-	-	
<u>-</u>	Total Main Ledger Expenditure (H)		<u>187,803,228</u>	<u>60,135,134</u>	
<u>-</u>	Total Expenditure I = (F+G+H)		<u>12,112,030,060</u>	<u>10,168,361,463</u>	
<u>-</u>	Balance as at 31st December J = (E-I)		<u>(9,401,415,103)</u>	<u>33,750,315,133</u>	
<u>-</u>	Balance as per the Imprest Reconciliation Statement		<u>(9,401,415,103)</u>	<u>33,750,315,133</u>	ACA-7
<u>-</u>	Imprest Balance as at 31st December		<u>-</u>	<u>-</u>	ACA-3

**Statement of Financial Position
As at 31st December 2021**

	Note	Actual	
		2021 Rs	2020 Rs
<u>Non Financial Assets</u>			
Property, Plant & Equipment	ACA-6	1,792,992,099	1,785,186,079
<u>Financial Assets</u>			
Advance Accounts	ACA-5/5(a)	131,995,898	219,448,859
Cash & Cash Equivalents	ACA-3	-	-
Total Assets		1,924,987,997	2,004,634,938
<u>Net Assets / Equity</u>			
Net Worth to Treasury		48,066,450	47,389,525
Property, Plant & Equipment Reserve		1,792,992,099	1,785,186,079
Rent and Work Advance Reserve	ACA-5(b)	63,000,000	132,930,000
<u>Current Liabilities</u>			
Deposits Accounts	ACA-4	20,929,448	39,129,334
Unsettled Imprest Balance	ACA-3	-	-
Total Liabilities		1,924,987,997	2,004,634,938

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from 07 to 62 and Notes to accounts presented in pages from 63 to 77 form an integral part of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out.



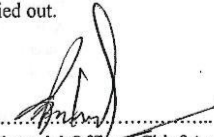
Chief Accounting Officer
Name :
Designation :
Date : 22/12/2021

D.M.L. BANDARANAYAKE
Secretary
Ministry of Agriculture
80/5, "Govijana Mandiraya"
Rajamalwatta Lane, Battaramulla.



Accounting Officer
Name :
Designation :
Date : 22/12/2021

D.M.L. BANDARANAYAKE
Secretary
Ministry of Agriculture
80/5, "Govijana Mandiraya"
Rajamalwatta Lane, Battaramulla.



Chief Financial Officer/ Chief Accountant/
Director (Finance)/ Commissioner (Finance)
Name :
Date : 22/12/2021

W.G.N. Abeywickrama
Chief Finance Officer
Ministry of Agriculture
No.80/5, "Govijana Mandiraya",
Rajamalwatta Avenue, Battaramulla.

3.4

ACA-C

3.4

**Statement of Cash Flows
for the Period ended 31st December 2021**

	Actual	
	2021 Rs.	Restated 2020 Rs.
<u>Cash Flows from Operating Activities</u>		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non Revenue Receipts	120,881,782	-
Revenue Collected on behalf of Other Revenue Heads	(96,685,905)	525,776,523
Imprest Received	2,070,282,067	42,483,606,099
Recoveries from Advance	19,717,950	162,315,388
Deposit Received	129,219,907	142,736,751
Total Cash generated from Operations (A)	2,243,415,801	43,314,434,761
<u>Less - Cash disbursed for:</u>		
Personal Emoluments & Operating Payments	331,374,189	319,206,167
Subsidies & Transfer Payments	55,440,524	2,542,227
Expenditure incurred on behalf of Other Heads	20,385,825	40,058,018,434
Imprest Settlement to Treasury	-	880,180,820
Advance Payments	19,525,594	149,044,392
Deposit Payments	166,129,229	137,865,127
Total Cash disbursed for Operations (B)	592,855,361	41,546,857,167
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(A)-(B)	1,650,560,440	1,767,577,594
<u>Cash Flows from Investing Activities</u>		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from On Lending	-	-
Total Cash generated from Investing Activities (D)	-	-
<u>Less - Cash disbursed for:</u>		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	1,650,560,440	1,767,577,594
Total Cash disbursed for Investing Activities (E)	1,650,560,440	1,767,577,594
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)	(1,650,560,440)	(1,767,577,594)
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)	-	-
<u>Cash Flows from Financing Activities</u>		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Total Cash generated from Financing Activities (H)	-	-
<u>Less - Cash disbursed for:</u>		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Total Cash disbursed for Financing Activities (I)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)	-	-
Net Movement in Cash (K) = (G) + (J)	-	-
Opening Cash Balance as at 01st January	-	-
Closing Cash Balance as at 31st December	-	-

3.5

Basis of Reporting

Reporting Period

The reporting period for these Financial Statements is from 01st January to 31st December 2021.

Basis of Measurement

The Financial Statements have been prepared on historical cost modified by the revaluation of certain assets and accounted on a modified cash basis, unless otherwise specified.

The figures of the Financial Statements are presented in Sri Lankan rupees rounded to the nearest rupee.

Recognition of Revenue

Exchange and non exchange revenues are recognised on the cash receipts during the accounting period irrespective of relevant revenue period.

Recognition and Measurement of Property, Plant and Equipment (PP&E)

An item of Property, Plant and Equipment is recognized when it is probable that future economic benefit associated with the assets will flow to the entity and the cost of the assets can be reliably measured.

PP&E are measured at a cost and revaluation model is applied when cost model is not applicable.

Property, Plant and Equipment Reserve

This reserve account is the corresponding account of Property Plant and Equipment.

Cash and Cash Equivalents

Cash & cash equivalents include local currency notes and coins in hand as at 31st December 2021.

Changes in Formats of Financial Statements & Adjustment of Comparative Figures

Relevant adjustments have been made to the comparative figures for the year 2020 in line with the changes made in the financial statements for the year 2021.

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3.6 Statement of Arrears of Revenue for the period ended 31st December 2021

Revenue Accounting Officer : Secretary of Ministry of Agriculture

Expenditure Head No : 118

Period	Revenue Code	Revenue Description	Net Revenue collection for three preceding years			Waived off Arrears of Revenue	Balance at the end of the Year
			Year 1 Year 2 Year 3	(2018) (2019) (2020)	Rs Rs. Rs.		
			Balance at the Beginning of the year (1)	Arrears of the Reporting year (2)	Recoveries (3)	(4)	5=(1)+(2)-(3)+(4)
(1) Arrears in respect of the	2003.07.00	Government Paddy Purchasing		314,375,709	105,268,688		209,107,022
Sub Total				314,375,709	105,268,688		209,107,022
(2) Arrears in respect of the	2003.07.00	Government Paddy Purchasing	439,123,225	47,019,598	347,937,900		138,204,923
Sub Total			439,123,225	47,019,598	347,937,900		138,204,923
(3) Arrears before the previous	2003.07.00	Government Paddy Purchasing					
Sub Total							
Total			439,123,225	361,395,307	453,206,587		347,311,945

Date 2021/12/01

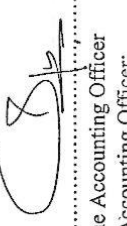
Signature and Name of Chief Financial Officer /
Chief Accountant / Head of Finance: ABEY Wickramma
Ministry of Agriculture
No.80/5, "Govijana Mandiraya",
Rajamalwatta Avenue, Battaramulla

Signature of Revenue Accounting Officer: D.M.L. BANDARANAYAKE
Secretary
Ministry of Agriculture
80/5, "Govijana Mandiraya",
Rajamalwatta Lane, Battaramulla.

3.6. Explanation for the Variances between Original Revenue Estimate and Revised Revenue Estimate

Revenue Accounting Officer : Secretary of Ministry of Agriculture		Expenditure Head No : 118		Rs.	
Revenue Code	Description	Original Revenue Estimate	Revised Revenue Estimate	Variance as a % of Original Revenue Estimate	Reasons for the Variance
2003.07.00	Government Paddy Purchasing Programme	1,500,000,000.00	1,500,000,000.00		

.....
Date


Signature and Name of Chief Financial Officer/
Chief Accountant / Head of Finance

W.G.N. Abeywickrama
Chief Finance Officer
Ministry of Agriculture
No.80/5, "Govijana Mandiraya",
Rajamalwatta Avenue, Battaramulla.

.....
Signature of Revenue Accounting Officer

D.M.L. BANDARANAYAKE
Secretary
Ministry of Agriculture
80/5 "Govijana Mandiraya"
Rajamalwatta Lane, Battaramulla.

.....
Name of Revenue Accounting Officer:
Designation of Revenue Accounting Officer:

Statement of Revenue for the period ended 31st December 2021

Revenue Accounting Officer: Secretary of Ministry of Agriculture

Expenditure Head No : 118

Rs.

Revenue Code	Revenue Title	Revenue Estimate		Revenue Collection			Refund from Revenue			Net Revenue For the Period 2021	
		(1)		(2)			(4)				
		Original Estimate	Revised Estimate	Collected by Ministry/ Dept.	Collected by Other Ministries/ Depts. (SA-21)	Total	Collection of Arrears Revenue	By Cash	Error Corrections		Total
		1(i)	1(ii)	2(i)	2(ii)	2(iii)=2(i)+2(ii)		4(i)	4(ii)	4(iii)=4(i)+4(ii)	5=2(ii)+(3)-4(iii)
2003.03.00	Fines and Forfeits										
2003.03.01	Fines and Forfeits - Customs										
2003.03.02	Fines and Forfeits - Other										
2003.04.00	Public Officer's Motor Cycle Premium										
2003.05.00	Treasury Bonds Premium										
2003.06.00	Revenue from the United Nations										
2003.07.00	Penetkeeping Operations	1,500,000,000	1,500,000,000	120,881,782	358,920,074	479,801,857			26,595,269	26,595,269	453,206,587
2003.07.00	Government Paddy Purchasing Programme										
2003.08.00	Sale of Hydro Power										
2003.99.00	Other Receipts										
2004.01.00	Social Security Contributions										
2004.01.00	Central Government										
2004.02.00	Provincial Councils										
2005.01.00	Current Transfers										
2005.01.00	Central Bank Profits										
2005.99.00	National Lotteries Board and Other Transfers										
2006.01.00	Capital Revenue										
2006.01.00	Divestiture Proceeds										
2006.02.00	Sale of Capital Assets										
2006.02.01	Vehicles										
2006.02.02	Other										
2006.04.00	Recovery of Loans										
3001.01.00	Foreign Grants										
	Revenue From Other Sources (b)	1,500,000,000	1,500,000,000	120,881,782	358,920,074	479,801,857			26,595,269	26,595,269	453,206,587
	Total Non - Tax Revenue & Other Revenue (a) + (b)	1,500,000,000	1,500,000,000	120,881,782	358,920,074	479,801,857			26,595,269	26,595,269	453,206,587
	Total Revenue (Note 1 - 4)	1,500,000,000	1,500,000,000	120,881,782	358,920,074	479,801,857			26,595,269	26,595,269	453,206,587

W.G.N. Abeywickrama

Chief Finance Officer

Signature and Name of Chief Financial Officer / Chief Accountant / Head of Ministry of Agriculture

No.80/5, "Govijana Mandiraya",

Rajamalwatta Avenue, Ballaramulla

D.M.L. BANDARANAYAKE

Secretary

Signature and Designation of Revenue Accounting Officer / Head of Ministry of Agriculture


80/5, "Govijana Mandiraya"

Rajamalwatta Lane, Battaramulla.

3.7.

Expenditure Code	Provisions					Expenditure			Net Effect		
	Finance Code	Annual Budgetary Provision	Supplementary Estimate Provision	FR 66/69 Transfers	Total Net Provision	Expenditure as per the Cash Book	Expenditure incurred by Ministry/Dept. Under the FR. 208 (As per the Treasury Printouts)	Total Expenditure	Savings / Excess	Savings / Excess as a % of Revised Estimate	Reason for the Variance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
200 Contingency Services	-	-	-	-	-	-	-	-	-	-	
250 Contribution to Provincial Councils	-	-	-	-	-	-	-	-	-	-	
280 Procurement	-	-	-	-	-	-	-	-	-	-	
290 Repairs	-	-	-	-	-	-	-	-	-	-	
295 Infrastructure Development	-	-	-	-	-	-	-	-	-	-	
297 Research and Development	-	-	-	-	-	-	-	-	-	-	
299 Other	-	-	3,000,000	-	3,000,000	2,995,601	-	2,995,601	44,399	1%	
Total (I)	-	-	3,000,000	-	3,000,000	2,995,601	-	2,995,601	44,399	1%	
Programme (II)											
Total Expenditure on Public Investments (I+II) (11+12)	83,300,000	-	223,000	83,523,000	30,331,495	5,175,424	35,506,919	48,016,081	57%		
Grand Total (Notes 5 to 15) - Total Expenditure	1,042,900,000	-	-	1,042,900,000	417,146,208	492,424,138	909,570,347	133,329,633	13%		

3.7.


 Chief Financial Officer / Chief Accountant / Director (Finance)
 Commissioner (Finance)
 Date: 22.08.2022
 W.G.N. Abejwickrama
 Chief Finance Officer
 Ministry of Agriculture
 No.80/8, "Govijana Mandiraya",
 Rajamalwata Avenue, Battaramulla.

3.8

Programme Number given in Annual Estimates	Title of the Expenditure	Annual Budgetary Provision (1)	Supplementary Estimate Provision (2)	FR 66/69 Transfers (3)	Total Net Provision (4)=(1)+(2)+(3)	Expenditure as per the Cash Book (5)	Expenditure incurred by Other Ministry/Dept. Under the FR, 208 (As per the Treasury Printouts) (6)=(4)-(5)	Total Expenditure	Net Effect Savings / (Excesses) (6)=(4)-(5)
Programme 1	(1) Recurrent	959,600,000	-	(223,000)	959,377,000	386,814,713	487,248,714	874,063,428	85,313,572
	(2) Capital	83,300,000	-	223,000	83,523,000	30,331,495	5,175,424	35,506,919	48,016,081
	Sub Total	1,042,900,000	-	-	1,042,900,000	417,146,208	492,424,138	909,570,347	133,329,653
Programme 2	(1) Recurrent	4,000,000,000	-	-	4,000,000,000	-	4,000,000,000	4,000,000,000	-
	(2) Capital	11,643,000,000	100,921,469	-	11,743,921,469	1,620,228,945	5,394,427,540	7,014,656,485	4,729,264,984
	Sub Total	15,643,000,000	100,921,469	-	15,743,921,469	1,620,228,945	9,394,427,540	11,014,656,485	4,729,264,984
	Grand Total	16,685,900,000	100,921,469	-	16,786,821,469	2,037,375,153	9,886,851,678	11,924,226,832	4,862,594,637

W.G.N. Abeywickram Chief Financial Officer/Chief Accountant/Director (Finance)

Chief Finance Officer, Commissioner (Finance)

Ministry of Agriculture

No.80/S, "Govijana Mandiraya"

Rajamalwatta Avenue, Baramulla.

Date: 2012/01/18

3.9. Statement of Non Financial Assets - 2021

Cumulative Non Financial Asset Accounts Report- Central Govt-2021

Land-9153: 286,700,000.00 Table: SA 82
 Building- 737,800,000.00 Year: 2021
 9151: 768,492,099.31 Rpt Date 2/3/2022:10:10
 Machinery- 0 Head 118
 WIP-9160: 0
 Intangible- 0
 9154: 0
 Lease-9180: 0



Ledger category	Item	Code	Opn. Bal	Opn. Bal Add	Transfer	Purchase	Disposal	Balance
1.2-Non Residential Building		61112	737,800,000	-	-	-	-	737,800,000
	Office Building	****611201	737,800,000	-	-	-	-	737,800,000
9152-> Machinery		61121	514,736,970	-	-	-	-	514,736,970
	2.1-Transport Equipment	****6112101	514,316,970	-	-	-	-	514,316,970
	Passenger vehicle	****6112109	420,000	-	-	-	-	420,000
	Motor cycle	61122	245,949,109	2,313,300	-	6,085,778	593,058	253,755,129
9152-> 2.2-Other Machinery & Equipment		****6112201	14,445,334	451,116	-	440,626	106,758	15,230,319
	Office Equipment	****6112202	53,382,271	1,736,065	-	3,849,280	486,300	58,591,316
	Computer Equipment	****6112203	3,878,465	9,350	-	87,498	-	3,975,313
	Electrical Equipment	****6112204	33,268,044	-	-	18,900	-	33,286,944
	Communication Equipment	****6112205	140,959,365	96,769	-	1,689,474	-	142,745,668
	Furniture	****6112213	15,630	-	-	-	-	15,630
	Construction Equipment	61410	286,700,000	-	-	-	-	286,700,000
9153-> 4.1-Land	Land	****614100	286,700,000	-	-	-	-	286,700,000

3.10 Auditor General's Observations (Annexure is inserted at the end)

Chapter 04 – Performance Indicators

4.1 Performance indicators of the Institute (Based on the Action Plan)

Specific Indicators	Actual Output as a Percentage (%) of the Expected Output		
	100 % - 90%	75% - 89%	50% -74%
1. Implementation of Research Programmes to Improve Crop Productivity	√		
2. Training, Skill Development, Implementation of Agro Technology Extension Programme	√		
3. Implementation of High Quality Seed Production and Propagation Programme	√		
4. Implementation of the Genetic Resource Conservation and Utilization Programme	√		

Chapter 05 – Performance of achieving Sustainable Developments Goals (SDG)

5.1 Sustainable Developments Goals Identified

Goal / Objective	Programme	Sustainability Development Indicator	Sustainability Development Indicator No	Progress of the Achievement to date		
				0% - 49%	50% - 74%	75% - 100 %
End hunger, achieve food security and improved nutrition and promote sustainable agriculture	1. Implementation of research programs to improve crop productivity	2.3	2.3.1 2.3.2	-	-	√
	2. Training, skill development, implementation of agro technology extension programme	2.3	2.3.1 2.3.2	-	-	√
	3. Implementation of high quality seed production and propagation programme	2.3	2.3.1 2.3.2	-	-	√
	4. Implementation of the Genetic Resource Conservation and Utilization Programme	2.5	2.5.1	-	-	√

5.2 Achievements and Challenges of the Sustainable Development Goals

Challenges

- Existing a market price monopoly.
- Lack of high-tech resources compared to developed countries with advanced agricultural development.
- Difficulty for small scale farmers to compete with international markets.
- Increasing the contribution of Gross Domestic Product (GDP) to agriculture
- Multiplication of varieties that are more resistant to climate change and local seed conservation
- Ability to acquire new communication technology is no longer optimal

Solutions

- Establishment of integrated agricultural systems
- Establishment of strategic food reserves
- Taking action to provide a fair price to the farmer without an intermediary
- Establishment of databases for food production
- Establishment of fair trade approaches
- Linking food production with nutritional requirements

Challenges for improving adaptability to food systems and solutions for the same

Challenges

- Creation of a productive economy instead of the concept of dependence on subsidies (fertilizers, seeds, etc.)
- Permanent indebtedness of farmers and lack of financial literacy
- Have to deal with natural disasters
- Lack of access to digitized data among farmers.
- Introducing new financial models
- Avoidance of health issues due to various agricultural inputs (chemical fertilizers and various insecticides, pesticides)

Solutions

- Implementation of a sustainable finance mechanism for farmers
- Relieving the farming community from indebtedness
- Enhancement of private sector intervention
- Empower women and the youth community towards sustainable production and finance.

Challenges for vulnerable agricultural communities and small production groups towards access to finance and solutions for the same

Challenges

- Implementation of weak financial systems and management systems (Providing material assistance for the same programme by different institutions)
- Indebtedness of the Government due to non-payment of the same loan on the benefits of development programmes carried out with loan provided by the Governments or Foreign Aid
- Weakening of household cash flow and domestic violence
- Abundance of informal and unregistered food producers.
- Land disputes and the existence of ambiguous / competitive land rights

Solutions

- Establishment of government-led initiatives to raise funds for vulnerable communities and proper guidance of them and making guidelines and publicizing them
- Effective contribution of the youth community
- Active participation of farmers in workshops and capacity building programmes.
- Establishment of reliability and regularity of risk management and social security systems
- Improvement of public-private partnerships.

Chapter 06 – Human Resource Profile

6.1 Cadre Management

S/N	Approved Cadre	Existing Cadre	Vacancies /(Excess)**
Senior	72	60	12
Territory	9	4	5
Secondary	1017	817	200
Primary	126	113	13
Total	1227		230

6.2 Briefly state how the shortage or excess in human resources has been affected to the performance of the institute.

1227 posts were approved for this Ministry and 230 posts out of same are vacant. As a whole, the vacancies have obstructed the day to day operations as well as the implementation of other special programmes of the Ministry.

- I. The senior staff approved for this Ministry is 72. The actual number of employees is 60 and 06 officers among them are acting officers. Accordingly, there are 12 vacancies at the senior level. Out of the 12 vacancies, 06 are vacancies of the Grade II/III posts of the Sri Lanka Administrative Service. The vacancies have been a major impediment to the affairs of the Administration I, Administration II, Procurement and Policy and Project Evaluation divisions.
- II. There are 09 tertiary level posts approved for this Ministry and three officers in full time and one officer on acting basis are served there. Accordingly, 05 tertiary level posts have become vacant, and posts of Administrative Officers and Language Translators among them are post with full of duties and it is very problematic that those posts have been vacant for a considerable period of time.
- III. There are 200 secondary level vacancies in the approved staff for this Ministry and the shortage of these secondary level / subject officers existing in almost all the divisions has caused delays in the relevant activities.
- IV. Also, the vacancies in the office employee's service and the combined drivers' service from the primary level posts create further problems in carrying out the relevant collaborative works.

6.3 Human Resource Development - (6.3.1) Local Trainings

No	Name of Programme	Number of Officers Trained	Duration of the Programme	Total Investment (Rs.)
01	Graduate Trainee Training Course	100	11.01.2021 – 21.01.2021	330,000.00
02	Training Course for Office Assistant Service	20	17.02.2021 – 18.02.2021	32,324.00
03	Training Course for Drivers	25	24.02.2021 – 25.02.2021	35,000.00
04	Maintaining the Salary Register	02	12.07.2021, 14.07.2021 16.07.2021	10,000.00
05	Maintenance of Personal Files	30	05.08.2021 – 06.08.2021	15,000.00
06	Training Course on Leave and Overtime	20	07.10.2021 – 08.10.2021	12,200.00
07	Loss, Damages and Inquiry under F.R. 104	04	02.11.2021	20,000.00
08	Workshop on Warehouse Management, Inventory Management and Asset Misappropriation	04	11.11.2021 – 23.11.2021	28,000.00
09	Office Management and Financial Regulations	04	11.11.2021 – 12.11.2021	40,000.00
10	Annual Board of Survey	04	19.11.2021, 26.11.2021 02.12.2021	60,000.00
11	Training Course on Pensions	50	23.11.2021	33,700.00
12	Preparation of Advance B Account of Public Officers	02	24.11.2021	7,500.00
13	Provisions and Accounting Systems of the Establishments Code required for Public Officers (In connection with Financial Regulations)	04	24.11.2021 and 30.11.2021	8,000.00

6.3 Human Resource Development - (6.3.2) Foreign Trainings

Summary - Officers who have participated in the Foreign Training

Staff Officers	55
Development Officers	35
Management Services Officers	01
Grduate Trainees	20
Total Number of Officers Participated	111

Trainees according to Gender

Male	- 42
Female	- 69
Total	- 111

Chapter 07 – Compliance Report

No.	Applicable Requirement	Compliance Status (Compiled / Not Compiled)	Brief Explanation for Non Compliance	Corrective Actions Proposed to Avoid Non-Compliance in Future
1	The following financial statements / accounts have been submitted on due date			
1.1	Annual Financial Statements	Complied		
1.2	Advance to Public Officers Account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	Complied		
1.4	Stores Advance Accounts	Complied		
1.5	Special Advance Accounts	Complied		
1.6	Other Public Deposit Account / Final Account of the Agrarian Development Fund			
2.	Maintenance of books and registers (FR 445)			
2	Maintenance of books and registers (FR 445)	Complied		
2.1	Fixed assets register has been maintained and update in terms of Public Administration 267/2018	Complied		
2.2	Personal emoluments register / Personal emoluments cards has been maintained and update	Complied		
2.3	Register of Audit queries has been maintained and update	Complied		
2.4	Register of Internal Audit reports has been maintained and update	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date	Complied		
2.6	Register for cheques and money orders have been maintained and update	Complied		
2.7	Inventory register has been maintained and update	Complied		
2.8	Stocks Register has been maintained and update	Complied		
2.9	Register of Losses has been maintained and update	Complied		

No.	Applicable Requirement	Compliance Status (Compiled / Not Compiled)	Brief Explanation for Non Compliance	Corrective Actions Proposed to Avoid Non-Compliance in Future
2.10	Commitment Register has been maintained and update	Complied		
2.11	Register of Counterfoil Books (GAN20) has been maintained and update	Complied		
3	Delegation of functions for financial control (FR 135)			
3.1	The financial authority has been delegated within the institute	Complied		
3.2	The delegation of financial authority has been communicated within the institute	Complied		
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	Complied		
3.4	The controls have been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package	Complied		
4	Preparation of Annual Plans			
4.1	The annual action plan has been prepared	Complied		
4.2	The annual procurement plan has been prepared	Complied		
4.3	The annual internal audit plan has been prepared	Complied		
4.4	The annual estimate has been prepared and submitted to the NBD on due date	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	Complied		
5	Audit Queries			
5.1	All the audit queries have been replied within the specified time by the Auditor General	Complied		

No.	Applicable Requirement	Compliance Status (Compiled / Not Compiled)	Brief Explanation for Non Compliance	Corrective Actions Proposed to Avoid Non-Compliance in Future
6	Internal Audit			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2) DMA/1-2019	Complied		
6.2	All the internal audit reports have been replied within one month	Complied		
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub section 40(4) of the National Audit Act No. 19 of 2018	Complied		
6.4	All the copies of internal audit Reports has been submitted to the Auditor General in terms of Financial Regulation 134(3)	Complied		
7	Audit and Management Committee			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019	Complied		
8	Asset Management			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017	Complied		
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of 12 the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular	Complied		

No.	Applicable Requirement	Compliance Status (Compiled / Not Compiled)	Brief Explanation for Non Compliance	Corrective Actions Proposed to Avoid Non-Compliance in Future
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016	Complied		
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular	Complied		
8.5	The disposal of condemn articles had been carried out in terms of FR 772	Complied		
9	Vehicle Management			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date	Complied		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	Complied		
9.3	The vehicle logbooks had been maintained and updated	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident	Complied		
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016	Complied		
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term	Complied		

No.	Applicable Requirement	Compliance Status (Compiled / Not Compiled)	Brief Explanation for Non Compliance	Corrective Actions Proposed to Avoid Non-Compliance in Future
10	Management of Bank Accounts			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled	Complied		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month	Complied		
11	Utilization of Provisions			
11.1	The provisions allocated had been spent without exceeding the limit	Complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)	Complied		
12	Advances to Public Officers Account			
12.1	The limits had been complied with	Complied		
12.2	A time analysis had been carried out on the loans in arrears	Complied		
12.3	The loan balances in arrears for over one year had been settled	Complied		
13	General Deposit Account			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits	Complied		
13.2	The control register for general deposits had been updated and maintained	Complied		

No.	Applicable Requirement	Compliance Status (Compiled / Not Compiled)	Brief Explanation for Non Compliance	Corrective Actions Proposed to Avoid Non-Compliance in Future
14	Imprest Account			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied		
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task	Complied		
14.3	The ad-hoc sub imprests had not been issued exceeding the limit approved as per F.R. 371	Complied		
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly	Complied		
15	Revenue Account			
15.1	The refunds from the revenue had been made in terms of the regulations	Complied		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Complied		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of F.R. 176	Complied		
16	Human Resource Management			
16.1	The staff had been paid within the approved cadre	Complied		
16.2	All members of the staff have been issued a duty list in writing	Complied		
16.3	All reports have been submitted to MSD in terms of their circular no. 04/2017 dated 20.09.2017	Complied		
17	Provision of information to the public			
17.1	An information officer has been appointed and a proper register of Information is maintained and updated in terms of Right To Information Act and Regulation	Complied		

No.	Applicable Requirement	Compliance Status (Compiled / Not Compiled)	Brief Explanation for Non Compliance	Corrective Actions Proposed to Avoid Non-Compliance in Future
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to public against the public authority by this website or alternative measures	Complied		
17.3	Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act	Complied		
18	Implementing citizens charter			
18.1	A citizens charter / Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management	Complied		
18.2	A methodology has been devised by the institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular	Complied		
19	Preparation of the Human Resource Plan			
19.1	A human resource plan has been prepared in terms of the format inAnnexure 02 of Public Administration Circular No. 02/2018 dated 24.01.2018.	Complied		
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan	Complied		

No.	Applicable Requirement	Compliance Status (Compiled / Not Compiled)	Brief Explanation for Non Compliance	Corrective Actions Proposed to Avoid Non-Compliance in Future
19.3	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan	Complied		
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource Development plan, organizing Capacity building programs and conducting skill development Programs as per paragraph No. 6.5 of the aforesaid Circular	Complied		
20.	Responses Audit Paras			
20.1	The shortcomings pointed out in the Audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		

Performance Report 2021 (Ministry of Agriculture, Expenditure Head - 118)

Publication Management

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Providing Information and Images

State Ministries - Planning Division (Director) (Planning)

- State Ministry of Organic Fertilizer Production, Supply and Regulation and the Paddy and Grains, Organic Food, Vegetables, Fruits, Chillies, Onion and Potato Cultivation Promotion, Seed Production and Advanced Technology for Agriculture. (Head of Expenditure 425/426)
- State Ministry of Livestock, Farm Promotion and Dairy and Egg Related Industries
- State Ministry of Backward Rural Areas Development and Promotion of Domestic Animal Husbandry & Minor Economic Crop Cultivation
- **District Agriculture Directors**
- **Statistical Information - Director (Statistics) / Statistics Officer, Department of Census and Statistics (Ministry of Agriculture)** Heads of Departments, Subject Officers in the Ministry of Agriculture / Heads of Institutions and Subject Officers in the Institutions under the Ministry of Agriculture

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Chief Accounting Officer

Ministry of Agriculture

Summary Report of the Auditor General on the Financial Statements of the Ministry of Agriculture for the year ended 31 December 2021 in terms of Section 11 (1) of the National Audit Act No. 19 of 2018

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Ministry of Agriculture for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and the statement of financial performance and cash flow statement for the year then ended was carried out under my direction in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. My comments and observations on the financial statements submitted by the Ministry of Agriculture in terms of Section 11 (1) of the National Audit Act No. 19 of 2018 are stated in this report. The Report of the Auditor General which should be presented to Parliament in pursuance of provisions in Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 10 of the National Audit Act No. 19 of 2018 will be tabled in due course.

In my opinion, except for the effects of the matters described in Paragraph 1.6 of this report, the financial statements of the Ministry of Agriculture give a true and fair view of as at 31 December 2020 and its financial performance and cash flow for the year then ended, in accordance with Generally Accepted Accounting Principles.

1.2 Basis for Opinion

My opinion is qualified based on the matters appear in Paragraph 1.6 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Responsibilities of Chief Accounting Officer and the Accounting Officer on Financial Statements

The Chief Accounting Officer is responsible for preparation of financial statements in a manner that reflects a true and reasonable position and determines the internal control required to enable financial statements to be prepared without material misstatements that may result from fraud and error in accordance with Generally Accepted Accounting Principles and Section 38 of the National Audit Act No. 19 of 2018 . As per Section 16 (1) of the National Audit Act No. 19 of 2018, the Ministry is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared.

The Chief Accounting Officer shall ensure that an effective internal control system is maintained and maintained for the financial control of the Ministry in terms of sub-section 38 (1) (c) of the National Audit Act and it should be periodically reviewed the effectiveness of the system and make any necessary changes to keep the system running efficiently.

1.4 Auditor's Responsibility on Audit of Financial Statements

My objective is to express a reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue the Report of the Auditor General that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate and users should be aware of this when making economic decisions based on these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. Furthermore I:

- Occasionally appropriate audit procedures were planned and implemented to identify and assess the risk of material misstatements in financial statements due to fraud or errors in obtaining a basis for a published audit opinion . The impact of fraud is greater than the impact of material misstatements due to the reasons such as collusion, preparation of forged documents, intentional evasion, making mistakes or evasion of internal controls.
- Although not intended to express an opinion on the effectiveness of internal control, an understanding of internal control was gained in order to design appropriate audit procedures from time to time.
- Evaluate the structure and content of financial statements, including disclosures, and the relevance of transactions and events in the financial statements in an appropriate and fair manner.

- Evaluated the overall presentation of the financial statements, including the fact that the transactions and events underlying the structure and content of the financial statements were appropriately and fairly included and disclosures.

The Chief Accounting Officer is made aware of important audit findings, key internal control deficiencies and other matters identified in my audit.

1.5 Report on Other Legal Requirements

I declare the following matters in terms of Section 6 (1) (d) and the National Audit Act No. 19 of 2018 .

- (a) The financial statements had been prepared in consistent with those of the preceding year,
- (b) The recommendations made by me regarding the financial statements furnished for the preceding year had been implemented.

1.6 Comments on Financial Statements

1.6.1 Statement of Financial Performance

1.6.1.1 Revenue Receipts

- (a) Although the arrears of revenue as per the accounts of the preceding year of the Government Paddy Purchasing Programme was Rs. 439,123,225, an amount of Rs. 47,019,598 in addition to that was shown as arrears of revenue in the final accounts of the current year. Accordingly, it was observed that the reliable records of arrears of revenue in the Paddy Purchase Programme were not maintained.

- (b) Actions had not been taken to recover the income totalled to Rs. 347,311,945 in the above Paddy Purchase Programme including arrears of income amounting to Rs.138,204,923 from the previous year arrears of income of Rs. 209,107,022 during the year under review. Failure of recovery of balances is observed as a controversial issue.

1.6.2 Statement of Financial Position

1.6.2.1 Non-financial Assets

The following observations are made.

- (a) Without taking over the ownership of 15 vehicles belonging to other State Ministries and Departments in use by the Ministry of Agriculture, their value of Rs.51,500,000 had been entered in the statement of non-financial assets.
- (b) Fourteen vehicles registered under the Ministry but not in the custody of the Ministry valued to total of Rs.77,500,000 were shown as non-financial assets in the financial statements.
- (c) Four vehicles which are being owned by the Ministry and used by the Ministry valued at Rs. 8,360,000 had not been shown under the non-financial assets in the financial statements of the Ministry.
- (d) Although the it should provide the opportunity to register the vehicles in the name of a transferee Ministry when transferring vehicles to another Ministry in accordance with the Asset Management Circular of the Deputy Secretary to the Treasury No. 2/2017 dated 21 December 2017 , without doing so, 39 vehicles registered under Ministry of Agriculture, used by other Ministries and Departments valued at Rs. 259,300,000 had been entered in the financial statements of the Ministry . As the scope of the State Ministries is revised from time to time and the State Ministries are abolished and rejoined to these

Ministries, it is further observed that the said vehicles have been kept as non-financial assets of this Ministry as the Cabinet Ministry because of handing over certain vehicles precisely to those State Ministries is problematic.

2. Financial Review

2.1 Revenue Management

Although the revenue, estimated to be collected under the Government Paddy Purchase Programme bearing the Revenue Code No. 07.00.2003 for the year under review was Rs. 1,500,000,000, the collected revenue was Rs. 453, 206, 587 and it is 30 per cent of the estimated revenue.

2.2 Expenditure Management

The following observations are made.

- (a) Since the procurement activities had not been commenced from the beginning of the year, the total of 03 capital expenditure objects amounting to Rs. 278,000,000 had entirely been saved.
- (b) As a result of not making accurate forecasts while preparing estimates, the provisions ranging from 13 to 99 per cent of the net provision of 20 capital expenditure objects and 16 recurrent expenditure objects had been saved. The net provision made available for capital and recurrent expenditure objects was Rs. 8, 395,977,000 and out of that, a sum of Rs. 4,540,336,242 that was, 54 per cent had been saved.

2.3 Entering into Liabilities and Commitments

The following observations are made.

- (a) Although the net provision of Rs. 1,000,000,000 made available for an capital expenditure object of the Ministry in the year under review had entirely been utilized during the year, liabilities amounting to Rs. 3,250,000,000 had been entered into exceeding that limit.
- (b) The liabilities amounting to Rs.283,686 relating to the year had not been entered in the statement of liabilities and commitments in the financial statements [Note - (iii)] .
- (c) A sum of Rs. 1,514 Million and Rs. 1,000 Million had been allocated in the years 2020 and 2021 respectively in order to provide compensation for crop damages under the expenditure object 118-2-3-43-2202 and the value of said total provision had been given to Agricultural and Agrarian Insurance Board in the respective years. The Ministry of Agriculture had not carried out follow up actions in respect of the total utilization including the registered farmers, the farmers affected by the crop damages related to the compensation and the farmers received the compensation and the liabilities amounting to Rs. 3,250,000,000 had been brought to accounts on the basis of a letter provided by the Director General of the Agricultural and Agrarian Insurance Board without obtaining any written evidence that a liability for compensation was generated.

2.4 Non-compliance with Laws, Rules and Regulations

Instances of non-compliance with the provisions of laws, rules and regulations observed during audit test checks are analyzed below.

Laws, Rules and Regulations	Non-compliance
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(a) Asset Management Circular of Deputy Secretary to the Treasury No. 02/2017 dated 21 December 2017	Although the actions should be taken to register the vehicles that are used without the registered ownership to register in the name of their own Institution or formally transferred to the Institution that has the right of registration, there are 25 vehicles under the ownership of other Institutions that had not taken actions to take over or hand over as per the circular.
(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka F.R. 1646	Although the original copies of monthly summaries of vehicle movements and running charts should be sent to the Auditor General before the 15th day of the following month, the monthly summaries of 13 official vehicles from April to December related to the year 2021 and the running charts and monthly summaries of 26 pool vehicles pertaining to March to December 2021 had not been submitted for audit even by 07 April 2022 .

2.5 Issuing of Advances and Settlements

Although the ad hoc sub imprests obtained should be settled within 10 days after the completion of the task as per Financial Regulations 371 (5) , it had taken a period ranging from 2 days to 106 days to settle the sub imprests of Rs. 892,540 which had been obtained by 23 officers of the Ministry of Agriculture in 53 cases.

2.6 Losses and Waivers

Two advance loan balances of Rs.44,596 of government officers had been written off during the year 2021 and details of those loan balances had not been entered in the statement of losses and waivers [Note – (i)] in the financial statement.

3. Operating Review

3.1 Management Inefficiencies

3.1.1 Termination of the Lease Agreement of the Building Acquired by the Ministry of Agriculture

The following observations are made in respect of cancellation of Lease Agreement No. 2178 in between the private company that owns the building rented for the Ministry of Agriculture and Ministry of Agriculture and the release of refundable deposits amounting to Rs. 63 Million.

- (a) A provision on how the lessee and lessor can terminate the agreement if necessary during the lease term had not been included in the lease agreement. Due to that deficiency, the property which was leased for 5 years had lost the opportunity to reduce the amount of rent in proportion to the remaining lease period at the time of handing it back in the fourth year and a lease amount of Rs.310,939,139 had been paid for the period when the building was not in use. That expenditure is observed as an uneconomic expense.
- (b) The officers of the Engineering Division of the Ministry and the officers of the Valuation Department had conducted an inspection during March and April 2021 in respect of damage caused to the leased building by the lessee's side during the lease period and although the lessor has been notified to participate in the above examination, the lessor had refused to participate in the above inspection. As a result of the absence of conditions in the agreement that a damage report should be called through an appropriate technical agency with the participation of the party in leaving the leased property and due to the fact that the officers of the Ministry of Agriculture and the lessor company had assessed and prepared the reports that the damage occurred to the building was Rs. 12,710,236 and Rs. 28,250,056 respectively, controversial situations had arisen in between the parties regarding damages and a risk of occurring excess liability of Rs.15,539,820 had created as per a valuation report prepared unilaterally by the lessor without any involvement of the Ministry of Agriculture.
- (c) According to the terms of the agreement No. II, actions should be taken to hand over the refundable deposit of Rs. 63 Million to the lessee by the lessor within one month period after the completion of the agreement and handing over the leased property. Nevertheless, the said deposit could not be able to obtain because of the lessor opposes at each time the lessee moves to terminate the agreement by handing over the leased property and being acted in accordance with the basic terms of the agreement.

3.1.2 Unrecovered Balances in Advances to Government Officers' Accounts

-
- (a) A difference of Rs.1598 was observed in the accounting year 2020, in between the government officers' advance balance list and the balance as per the reconciliation statement and the difference was Rs.1610 in the year under review and steps had not been taken to correct the error.
 - (b) Although the advance should be charged and completed within 10 months from the date of the relevant accounting year as per Public Administration Circular No.s 26/2015 and 23/2020 , the recovery of the special advance balances totalling to Rs.16,000 given in the year 2020 to 4 officers who had attached and serve to the Kilinochchi District Secretariat had not been commenced even by the last date of the year under review.
 - (c) Although the festival advance should be recovered within 08 months from the date of issuance as per Public Administration Circular 21/2015 , any recovery had not been made during the accounting year from the festival advances totalled to Rs.70,000 given to 07 officers attached to the District Secretariats during the month of April 2021 .
 - (d) Out of the balance of Rs. 14,850 to be recovered in the year 2021 from the festival advances and special advances given in the year 2020 for 07 officers assigned to the District Secretariats, any recovery had not been made during the current year.
 - (e) The balance totalled to Rs.127,960 overcharged by a mistake from 27 officials working in the District Secretariats attached to the Ministry of Agriculture had been indicated and brought to accounts as balances to be settled to other Departments and Ministries without making arrangements to repay to those officers.
 - (f) If the amount due to the Government cannot be recovered from the principal debtor or guarantor, and if the principal debtor has deceased; from his heirs and the advices should be obtained from the Attorney General without delay in this regard as per the provisions of Paragraph 4.6 of Chapter XXIV of the Establishments Code, it had not

been so done for the recovery of festival advance balance of Rs.2,500 due from a deceased officer for more than 2 years.

- (g) A person who worked as a driver of a Minister and was not an employee of the permanent staff of the Ministry had left the service without paying any installment from the amount of Rs. 5000 which was the festival advance money. Actions had not been taken to collect the outstanding loan balance from the responsible parties since more than 3 years.

4. Human Resources Management

Although there are 12 Senior Level posts, 5 Tertiary Level posts, 200 Secondary Level posts and 13 Primary Level posts were in vacant in the Ministry of Agriculture, actions had not been taken to recruit for those posts or get revised the approved number of employees in a timely manner.

R.M. Rathnayake

Deputy Auditor General

For Auditor General.